

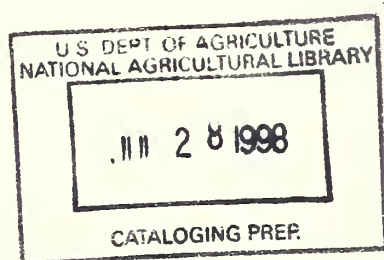
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ACTS OF CONGRESS ADMINISTERED BY THE
FARMERS HOME ADMINISTRATION

(Including all Acts approved through the 86th Congress, 2nd Session)



Codified for this purpose by the
Budget and Statistics Division

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**United States
Department of
Agriculture**



National Agricultural Library

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THE FARMERS' HOME ADMINISTRATION ACT OF 1946, AS AMENDED

Section 1.

This Act may be cited as the "Farmers Home Administration Act of 1946."

DISPOSITION OF CERTAIN AGENCIES AND THEIR ASSETS AND PERSONNEL

Sec. 2.

- (a) The following agencies, functions, powers, and duties are hereby abolished and the following laws relating thereto repealed:

- (1) The Farm Security Administration and all of its functions, powers and duties.
 - (2) All functions, powers, and duties of the Governor of the Farm Credit Administration which relate to the making, administration, and liquidation of (a) all loans to farmers under the Act entitled "An Act to provide for loans to farmers for crop production and harvesting during the year 1937, and for other purposes", approved January 29, 1937 (U.S.C., 1940 edition, title 12, secs. 1020i-1020); (b) all loans identified or referred to in sections 5 (b), 5 (c), and 5 (d) of Executive Order Numbered 6084, dated March 27, 1933, and (c), all other emergency crop production, feed, seed, drought, and rehabilitation loans administered by the Farm Credit Administration on the effective date of this Act. The said Act approved January 29, 1937, is hereby repealed.
 - (3) All functions, powers, and duties of the National Housing Agency with respect to property, funds, and other assets which were formerly under the administration or supervision of the Farm Security Administration and were transferred to or consolidated with the National Housing Agency by Executive Order Numbered 9070 of February 24, 1942, except housing projects and except such other properties and assets as are now in the process of liquidation.
- (b) All assets, funds, contracts, property, and records and all liabilities of the agencies abolished by this Act and all assets, funds, contracts, property, and records which the Secretary of Agriculture, the Governor of the Farm Credit Administration, and the National Housing Administrator have been using or have acquired primarily in the administration of any function, power, or duty so abolished and all liabilities chargeable thereto shall be collected or liquidated, as the case may be, by the Secretary of

PUBLIC LAW 731 - 79th CONGRESS, 2nd SESSION

THE FARMERS' HOME ADMINISTRATION ACT OF 1946, AS AMENDED (Cont'd)

Agriculture, in accordance with this Act and the Bankhead-Jones Farm Tenant Act, as amended. The Secretary shall promptly transmit to the Treasurer of the United States for appropriate credits all collections or other proceeds realized from the assets, funds, contracts and property which are authorized to be administered, collected or liquidated by this Act, except that (1) the Secretary may retain so much of the personal property, such as office furniture, equipment, machines, automobiles, stationery, and office supplies, as he finds will be necessary in carrying out his duties under this Act and the Bankhead-Jones Farm Tenant Act, as amended; (2) until the loans obtained by the Secretary of Agriculture or the War Food Administrator from the Reconstruction Finance Corporation for carrying on the Farm Security programs have been paid, the Secretary shall pay to the Reconstruction Finance Corporation, as collected, in accordance with the terms of the applicable loan agreements, the proceeds of all assets transferred to him for administration and liquidation which are pledged as security for such loans; and (3) the proceeds from collections on farmers' crop production and harvesting loans (U.S.C., 1940 edition, title 12, secs. 1020i-1020n, 1020o) made available by the paragraph entitled "Farmers' crop production and harvesting loans" under the item "Farm Credit Administration" in the Department of Agriculture Appropriation Act, 1947, shall be available to the Secretary of Agriculture for the fiscal year 1947 for making loans under title II of the Bankhead-Jones Farm Tenant Act, as amended.

- (c) The funds appropriated, authorized to be borrowed, and made available under the items "Farmers' crop production and harvesting loans" (under the heading "Farm Credit Administration"), "Loans, Grants, and Rural Rehabilitation" and "Farm Tenancy", in the Department of Agriculture Appropriation Act, 1947, shall be available for the making and servicing of loans under this Act, for servicing and collecting loans made under prior authority, liquidation of rural rehabilitation projects, and for administrative expenses in connection therewith, and to the extent that such funds are validly obligated and committed on June 30, 1947, shall be available for use by the Secretary in fulfilling such obligations and commitments subject to the limitations set forth in the Acts appropriating or authorizing such funds.

PUBLIC LAW 731 - 79th CONGRESS, 2nd SESSION

THE FARMERS' HOME ADMINISTRATION ACT OF 1916, AS AMENDED (Cont'd)

- (c) Any of the personnel that is being utilized on the effective date of this Act for the performance of functions, powers, or duties abolished or transferred by this Act, including, but not limited to those related to emergency crop and feed loans, shall be utilized by the Secretary of Agriculture in the performance of his duties and functions under this Act and the Bankhead-Jones Farm Tenant Act, as amended, to the extent that he determines that such personnel are qualified and necessary therefor.
- (g) With the approval of the Secretary of Agriculture, the consummation of the transfer of any function, power, duty, asset, or liability transferred by this Act may be delayed not in excess of ninety days after the effective date of this Act, during which time such function, power, or duty, and any function, power, or duty abolished by this Act, may be administered by such agency as the Secretary may designate and in accordance with such rules and regulations as the Secretary may prescribe. Such rules and regulations shall, however, conform as nearly as may be practicable to the provisions of this Act, the several appropriation Acts which are involved, or the Bankhead-Jones Farm Tenant Act, as amended, whichever is appropriate.

ACCOUNTS AND CLAIMS OF DEFENSE RELOCATION CORPORATIONS

Sec. 6.

- (a) The Comptroller General of the United States is authorized and directed to allow credit in the accounts of disbursing and certifying officers for advances made in good faith on behalf of the Department of Agriculture to defense relocation corporations and land purchasing associations.

CONSOLIDATION OF AGRICULTURAL CREDIT AND SERVICE OFFICES

Sec. 7.

The Secretary of Agriculture and the Governor of the Farm Credit Administration are hereby directed, wherever practicable, to make suitable arrangements whereby all field offices under their supervision or direction extending agricultural credit or furnishing agricultural services to farmers to utilize the same or adjacent offices to the end that eligible farmers in each

PUBLIC LAW 731 - 79th CONGRESS, 2nd SESSION

THE FARMERS' HOME ADMINISTRATION ACT OF 1946, AS AMENDED (Cont'd)

locality will be enabled to obtain their agricultural credit and services at one central point.

CONTINGENT PROVISIONS FOR TRANSFERRING POWERS TO AGRICULTURAL
CREDIT AGENCY

Sec. 8.

- (a) In the event the Agricultural Credit Act (H.R. 4873), Seventy-ninth Congress, first session, passed by the House of Representatives on March 20, 1946, becomes law prior to the effective date of this Act:
- (1) The functions, powers, and duties vested in the Secretary of Agriculture by this Act and by the Bankhead-Jones Farm Tenant Act as amended, except insofar as such functions, powers, or duties involve or are necessary to the administration of title III of the Bankhead-Jones Farm Tenant Act, shall be vested in the Agricultural Credit Agency;
 - (2) The functions, powers, and duties of the Secretary of Agriculture transferred under (1) above and the property and assets acquired by the Secretary of Agriculture primarily in the administration of such functions, powers, and duties, shall be administered within the Division of the Agricultural Credit Agency created for the purpose of supervising and administering direct lending to farmers, subject to the supervision, direction, and authority of the Agricultural Credit Board, the Agricultural Credit Administrator, and the Deputy Administrator in charge of that Division, to the same extent as other units of a division of the Agricultural Credit Agency;
 - (3) The functions, powers, and duties vested in the Solicitor of the Department of Agriculture and attorneys of his office by this Act and the Bankhead-Jones Farm Tenant Act shall be vested in the general counsel and attorneys of the Agricultural Credit Agency, respectively.

Sec. 9.

Any conveyance of real estate by the Government or any Government agency under this Act shall include all mineral rights.

PUBLIC LAW 731 - 79th CONGRESS, 2nd SESSION

THE FARMERS' HOME ADMINISTRATION ACT OF 1946, AS AMENDED (Cont'd)

- 1/ This is the t portion of the Farmers Home Administration Act which was new law and was not an amendment to the Bankhead-Jones Farm Tenant Act. The major portion of the Act which amended the Bankhead-Jones Farm Tenant Act is incorporated in that reference.

PUBLIC LAW 210 - 75th CONGRESS, 1st SESSION

THE BAILEY-JONES FARM TENANT ACT, AS AMENDED

To create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, and for other purposes.

TITLE I---TENANT PURCHASE LOANS AND MORTGAGE
INSURANCE

POWER OF SECRETARY

Sec. 1

- (a) The Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized to make loans and to insure mortgages in the United States and in the Territories of Alaska and Hawaii and in Puerto Rico to persons eligible to receive the benefits of this title to enable such persons to acquire, repair or improve family-size farms, or to refinance indebtedness against undersized or underimproved units when loans are being made or insured by the Secretary to enlarge or improve such units. Loans may also be made or insured for improvements needed to adjust farming operations to changing conditions.
- (b)
 - (1) Except with respect to veterans qualified under subsection (b) (2) of this section, only farm owners, farm tenants, farm laborers, sharecroppers, and other individuals who obtain, or who recently obtained, a substantial portion of their income from farming operations, shall be eligible to receive the benefits of this title. In making available the benefits of this title, the Secretary shall give preference to persons who are married, or who have dependent families, and, wherever practicable, to persons who are able to make an initial down payment, or who are owners of livestock and farm implements necessary successfully to carry on farming operations. No person shall be eligible who is not a citizen of the United States.
 - (2) Any veteran (defined herein as a person who served in the military forces of the United States during any war between the United States and any other nation or during the period beginning June 27, 1950, and ending on such date as shall be determined by Presidential proclamation or concurrent resolution of Congress and who was discharged or released therefrom under conditions other than dishonorable) who intends to engage in farming as a principal occupation, and who meets the requirements of rules and regulations prescribed by the Secretary as to industry, experience, character, and other assurances of success as a farmer, shall be eligible for the benefits of this title and his application shall be entitled to preference over the applications of non-veterans.

BANKHEAD-JONES FARM TENANT ACT, AS AMENDED (Cont'd)

- (c) No loan shall be made, or mortgage insured, unless the farm is a family-type unit of such size as the Secretary determines to be sufficient to enable the family to carry on successful farming of a type which the Secretary deems can be carried on successfully in the locality in which the farm is situated: Provided, however, That-
- (1) loans may be made to veterans or mortgages insured for veterans, as defined in section 1 (b) (2) hereof, who have pensionable disabilities, with respect to farm units of sufficient size to meet the farming capabilities of such veterans and afford them income which, together with their pensions, will enable them to meet living and operating expenses and the amounts to become due on their loans; and
 - (2) loans may be made or mortgages insured to owner-operators who are bona fide farmers who have historically resided on farms and depended on farm income for their livelihood, and who are conducting substantial farming operations on units which are less than family-type units, to repair or improve such farm units, and to refinance indebtedness of the owner incurred for agricultural purposes, if such farms are of sufficient size to produce income which, together with income from other sources, will enable them to meet living and operating expenses and the amounts to become due on their loans; and
 - (3) loans in amounts not exceeding \$15,000 per farm for the construction, improvement, repair, or replacement of farm dwellings and other farm buildings on farms the operation of which require no more than three farm families or three farm dwellings may be insured under this Act.

FUNCTIONS OF COUNTY COMMITTEES

Sec. 2.

- (a) The county committees established under section 42 shall--
- (1) examine applications (filed with the chairman of the county committee, or with such other person as the Secretary may designate) of persons desiring to obtain the assistance of the Secretary in financing the acquisition of farms or farming operations in the county as provided in this Act; and
 - (2) examine and appraise farms in the county with respect to which applications are made.
- (b) If the committee finds that an applicant is eligible to receive the benefits of this Act, that, in the opinion of the committee, by reason of his character, ability, industry, and experience, he will successfully carry out undertakings required of him under a loan which may be made or insured under this Act, that credit sufficient in amount to finance the actual needs of the applicant, specified in the application, is not available to him at the rates (but not exceeding the rate of 5 per centum per annum) and terms prevailing

BANKHEAD-JONES FARM TENANT ACT, AS AMENDED (Cont'd)

in the community in or near which the applicant resides for loans of similar size and character from commercial banks, cooperative lending agencies, or from any other responsible source; and that the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making or insuring of the loan with respect thereto will carry out the purposes of this title, it shall so certify to the Secretary. The committee shall also certify to the Secretary the amount which the committee finds is the fair and reasonable value of the farm based upon its normal earning capacity. The farm shall be appraised by competent employees of the Secretary thoroughly trained in appraisal techniques and the appraisal shall be made available to the county committee and the Secretary for their guidance in determining the value of farm as specified above, except that, for loans under either part of the proviso in section 1(c) of this title, the certification shall be based on the normal market value of the farm.

- (c) No member of the committee shall participate in any certification under this section with respect to any application or farm in which such member, or any person related to such member within the third degree of consanguinity or affinity has any pecuniary interest, direct or indirect, or in which any of them had such interest within one year prior to the date of certification.
- (d) No loan shall be made for any purpose under this Act and no mortgage shall be insured under this Act, unless certification by the committee, as required under this section, has been made with respect to the applicant applying for the loan and with respect to the farm which is to be taken as security either for an insured or an uninsured mortgage.

TERMS OF LOANS

Sec. 3.

- (a) Loans made under this title shall not be in excess of the amount certified by the county committee to be the value of the farm less any prior lien indebtedness and shall be secured by a first or second mortgage or deed of trust on the farm. Loans may not be made for the acquisition or enlargement of farms which have a value, as acquired or enlarged, in excess of the average value of efficient family-type farm-management units, as determined by the Secretary, in the county, parish, or locality where the farm is located.
- (b) The instrument under which the loan is made and security given therefor shall--
 - (1) provide for the repayment of the loan within an agreed period of not more than forty years from the making of the loan;
 - (2) provide for the payment of interest on the unpaid balance of the loan at a rate of interest not in excess of 5 per centum per annum as determined by the Secretary;

BANKHEAD-JONES FARM TENANT ACT, AS AMENDED (Cont'd)

- (3) provide for the repayment of the unpaid balance of the loan, together with interest thereon, in installments in accordance with amortization schedules prescribed by the Secretary;
 - (4) be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the unpaid balance of the loan together with interest thereon, to protect the security, and to assure that the farm will be maintained in repair, and waste and exhaustion of the farm prevented, and that such proper farming conservation practices as the Secretary shall prescribe will be carried out;
 - (5) provide that the borrower shall pay taxes and assessments on the farm to the proper taxing authorities, and insure and pay for insurance on farm buildings;
 - (6) provide that upon the borrower's assigning, selling, or otherwise transferring the farm, or any interest therein, without the consent of the Secretary, or upon default in the performance of, or upon any failure to comply with, any covenant or condition contained in such instruments, or upon involuntary transfer or sale, the Secretary may declare the amount unpaid immediately due and payable, and that, without the consent of the Secretary, no final payment shall be accepted, or release of the Secretary's interest be made, less than five years after the making of the loan; and
 - (7) contain the provisions for refinancing specified in section 44 (c).
- (c) Except as provided in paragraph (6) of subsection (b), no instrument provided for in this section shall prohibit the prepayment of any sum due under it.
 - (d) No provision of section 75, as amended, of the Act entitled 'An Act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898 (U.S.C. 1940 ed., title II, sec. 203), otherwise applicable in respect to any indebtedness incurred under this title by any beneficiary thereof, shall be applicable in respect of such indebtedness until such beneficiary has repaid at least 15 per centum thereof.

EQUITABLE DISTRIBUTION OF LOANS AND MORTGAGE INSURANCE

- Sec. 4. In making loans under this title, the amount which is devoted to such purposes during any fiscal year shall be distributed equitably among the several States and Territories on the basis of farm population and the prevalence of tenancy, as determined by the Secretary: Provided, That there may be distributed to each State such amounts as are necessary to finance loans pursuant to all bona fide applications from veterans qualified under section 1 hereof: Provided further, That there may be disbursed in any fiscal year to each State or Territory such amount not in excess of \$100,000 as is determined by the Secretary to be necessary to finance loans in such State or Territory under this title: Provided further, That there may be distributed to the States and Territories such amounts as may be provided in applicable appropriations, in addition to the amount otherwise distributed thereto, for loans in reclamation projects and to entrymen on unpatented public lands.

BANKHEAD-JONES FARM TENANT ACT, AS AMENDED (Cont'd)

APPROPRIATION

- Sec. 5. To carry out the provisions of this title with respect to tenant-purchase loans, there is authorized to be appropriated not to exceed \$50,000,000 for each fiscal year beginning with the fiscal year ending June 30, 1947, and such further sums as may be necessary in carrying out the provisions of this title during such fiscal year, with respect to tenant purchase loans and insured mortgages.

FARM TENANT MORTGAGE INSURANCE FUND

- Sec. 11.
- (a) There is hereby created a fund, to be known as the 'farm tenant-mortgage insurance fund' (hereinafter in this title referred to as the 'fund'), which shall be used by the Secretary as a revolving fund for carrying out the provisions of this title with respect to mortgages insured under section 12 and to mortgages accepted for the account of the fund under section 13. There is authorized to be appropriated to the Secretary the sum of \$25,000,000 to constitute such fund.
 - (b) Moneys in the fund not needed for current operations shall be deposited with the Treasurer of the United States to the credit of the fund or invested in direct obligations of the United States or obligations guaranteed as to principal and interest by the United States.

The Secretary may purchase, with money in the fund, any notes issued by the Secretary to the Secretary of the Treasury to obtain money for the fund.

- (c) All amounts deposited in or credited to the fund and the proceeds of investments of amounts in the fund shall be used only for purposes to which the fund is specifically authorized to be devoted under this title and shall not be diverted to any other use.

INSURANCE OF MORTGAGES

- Sec. 12
- (a) The Secretary is authorized, upon application of a prospective mortgagor or mortgagee under a first mortgage eligible for insurance under this title, to insure such mortgage and to make commitments for the insurance of any such mortgage prior to the date of its execution.
 - (b) The aggregate amount of principal obligations on all mortgages insured under this title, on all mortgages with respect to which commitments to insure have been made, and on all mortgages accepted for the account of the fund and not disposed of under section 14 shall not exceed \$125,000,000 in any one fiscal year. With respect to any fiscal year, one-quarter of the amount available for insurance, commitments and acceptance of mortgages under this title shall be distributed among the several States and Territories on the basis of bona fide applications and the availability of farms with respect to which loans may be insured and the balance shall be distributed on the basis provided in section 4, and preferences shall be given to mortgages executed by veterans qualified under section 1.

- (c) In order for a mortgage to be eligible under this title--
- (1) the person obligated to pay thereunder shall be a person who would be eligible under section 1 for a loan under title I;
 - (2) the farm mortgaged shall be one with respect to which under section 1 (c), a loan could be made under title I;
 - (3) there shall be an appropriate certification by the county committee as required by section 2 of this Act;
 - (4) the mortgage instruments shall comply with section 3 (b), except that the base rate of interest shall not be in excess of 4 per centum per annum as determined by the Secretary;
 - (5) the principal obligation (and fees and other charges chargeable under subsection (d) of this section) shall not exceed 90 per centum of the reasonable value of the farm and necessary repairs and improvements thereon, as such values are certified by the county committee pursuant to section 2 (b);
 - (6) the mortgage instruments shall contain a covenant to pay to the Secretary the initial and annual charges provided for in subsections (d) and (e) of this section, and a covenant to pay to the Secretary, as collection agent for the mortgagee, the amounts payable by the mortgagor to the mortgagee under the mortgage; and
 - (7) the mortgage instruments shall contain a stipulation (not binding upon the Secretary) that the holder of the mortgage will accept the benefits provided by section 13 in lieu of any right of foreclosure which he may have against the property and any right to a deficiency judgment against the mortgagor on account of the mortgage.
- (d) The Secretary shall require the payment by the mortgagor or mortgagee of such initial fees for inspection, appraisal, and other charges as it finds necessary and such amounts may be included in the principal obligation of the mortgage, and the payment of such delinquency charges and default reserves as it finds necessary. The proceeds of such fees shall be deposited in the Treasury for use for administrative expense as provided in subparagraph (e) (2) hereof.
- (e)
- (1) The Secretary shall collect from the mortgagor for mortgage insurance an annual charge at the rate of 1 per centum of the outstanding principal obligation of the mortgage; the initial charge shall be collected simultaneously with the insurance of the mortgage and shall cover the period from the date of loan closing to the date of the first installment payable on the loan; the next and each succeeding charge shall be computed on the outstanding principal obligation remaining unpaid after the due date of each installment payable on the loan, and shall be payable on or before the next succeeding due date of an installment of principal and interest. If the principal obligation of the mortgage is paid in full in less than five years after the time when the mortgage was entered into, the Secretary may require payment by the mortgagor of the entire annual charge computed for the year then current,

BANKHEAD-JONES FARM TENANT ACT, AS AMENDED (Cont'd)

and an additional charge equal to the annual charge for such year. The Secretary may modify existing contracts so as to require future payments thereunder in accordance with the provisions of this section.

- (2) One-half of the amount paid as charges in pursuance of this subsection shall be the premium for insurance and shall be deposited in the fund and may be used only for purposes to which the fund may be devoted. The other half of the amounts so paid shall be deposited in the Treasury to the credit of the Secretary and shall be available only for administrative expenses of the Farmers' Home Administration and may be transferred annually to that administrative expense account and become merged therewith.

- (f)
 - (1) The Secretary shall remit to the mortgagee under any mortgage insured under this title any sums collected by him as agent for the mortgagee. The Secretary shall advise any such mortgagee of any default in the payment of principal or interest by the mortgagor.
 - (2) If the mortgagor has failed to pay to the Secretary the full amount of any installment on or before the due date thereof, the Secretary shall pay the unpaid amount of such installment of principal and interest to the mortgagee, less the amount of any previous prepayments except payments from proceeds from the voluntary or involuntary sale of any part of the mortgaged property or from royalties from leases under which the value of the security is depreciated.
 - (3) If the mortgagor fails to pay any amounts due for taxes, special assessments, water rates, and other amounts which may become liens prior to the mortgage, and any amounts due for property insurance premiums, such amounts may be paid by the Secretary, either before or after assignment of the insured mortgage to the Secretary, for the account of the mortgagor as provided in paragraph (4) below.
 - (4) Payments by the Secretary under paragraphs (2) and (3) shall be advanced out of the fund for the account of the mortgagor. Such advances shall be repaid to the fund out of the first available collections received from the mortgagor. Such advances shall bear interest at the rate fixed in the insured mortgage payable out of any subsequent collections, and, until repaid, the advance and interest thereon shall be added to subsequent installments.

BANKHEAD-JONES FARM TENANT ACT, AS AMENDED (Cont'd)

- (g) Any contract of insurance executed by the Secretary under this section shall be conclusive evidence of the eligibility of the mortgage for insurance, and the validity of any contract of insurance so executed shall be incontestable in the hands of any holder thereof from the date of the execution of such contract, except for fraud or misrepresentation of which such holder has actual knowledge.
- (h) The Secretary may, at any time, for good cause shown and under such terms and conditions as he may prescribe, consent to the release of the mortgagor from his liability under the mortgage or the credit instruments secured thereby, or consent to the release of parts of the mortgaged property from the lien of the mortgage.
- (i) The holder of any mortgage insured under this title may, upon notice to the Secretary, assign such mortgage together with the accompanying note and contract of insurance and the assignee thereof shall thereupon become entitled to all the benefits of such contract of insurance: Provided, That no such assignment shall be binding upon the Secretary until notice thereof has been given the Secretary and the Secretary has acknowledged receipt of such notice.
- (j) The Secretary is authorized to enter into agreements from time to time with the holder of a mortgage heretofore or hereafter insured under this title that any holder thereof, at the holder's option, shall be entitled, upon assignment of such mortgage to the Secretary within one year after the expiration of a period fixed by such agreement, to have the mortgage purchased by the Secretary even though the mortgage is not then in default, provided the initial fixed period shall be not less than five years from the date of the insured mortgage. Such assignment shall be accomplished in the same manner and the value of such mortgage shall be determined on the same basis as provided by section 13 for mortgages in default. The Secretary may purchase any such mortgage with moneys in the fund and may sell it at its value likewise determined in accordance with section 13 at the time he sells it, and reinsure it, if necessary, or he may retain it for the account of the fund until the indebtedness is discharged through refinancing by the mortgagor, by foreclosure, or otherwise. The value of all such mortgages retained for the fund as herein provided shall not be included in computing the aggregate amount of mortgage obligations that may be insured in any one fiscal year, as provided in section 12 (b). If there should not be sufficient cash in the fund to enable the Secretary to make payments to purchase mortgages as provided in this subsection, in order to obtain funds to make such payments notes may be issued and purchased in the same manner as provided in section 13.

PAYMENT OF INSURANCE

Sec. 13.

- (a) In any case in which the mortgagor under a mortgage insured under this title is in default in the payment of principal or interest for more than twelve months, the mortgagee shall be entitled to receive the benefit of the insurance as hereinafter provided, upon assignment to

BANKHEAD-JONES FARM TENANT ACT, AS AMENDED (Cont'd)

the Secretary of (1) all the mortgagee's rights and interests arising under the mortgage so in default; (2) all claims of the mortgagee against the mortgagor or others, arising out of the mortgage transaction; (3) all policies of title or other insurance and all surety bonds and other guaranties and any and all claims thereunder relating to the mortgage or the mortgaged property; (4) any balance of the mortgage loan not advanced to the mortgagor; and (5) any cash or property held by the mortgagee, or to which he is entitled, as deposit made for the account of the mortgagor and which has not been applied in reduction of the principal of the mortgage in indebtedness; and upon transfer to the Secretary of such originals or copies of records, documents, books, papers and accounts relating to the mortgage transaction, as the Secretary prescribes. Upon such assignment and transfer, the Secretary shall pay to the mortgagee, in cash, an amount equal to the value of the mortgage and the note and mortgage shall thereupon become a part of the fund. For the purposes of this subsection, the value of the mortgage shall be determined, in accordance with rules and regulations prescribed by the Secretary, by adding to the amount of the original principal obligation of the mortgage which was unpaid on the date of default, the amount of all unpaid interest and the amount of all payments which have been made by the mortgagee for taxes, special assessments, water rates, and other payments in discharge of liens which are prior to the mortgage, and insurance on the property mortgaged, and by deducting from such total amount any amount received on account of the mortgage indebtedness after such default.

- (b) If there should not be sufficient cash in the fund to enable the Secretary to make payments to mortgagees as provided in subsection (a) of this section, the Secretary may make and issue notes to the Secretary of the Treasury to obtain funds to make such payments. Such notes shall be signed by the Secretary or by his duly authorized representatives and shall be negotiable. Such notes shall have such maturities as the Secretary may determine with the approval of the Secretary of the Treasury and shall bear interest at a rate fixed by the Secretary of the Treasury taking into consideration the current average market yields of outstanding marketable obligations of the United States having maturities comparable to the loans made or insured by the Secretary.
- (c) The Secretary of the Treasury is authorized to purchase any notes issued by the Secretary pursuant to this section and any renewals thereof and for such purchases may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which such securities may be issued under such Act, as amended, are hereby extended to include any such purchases. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States.
- (d) In any case in which the mortgagor violates any covenant or condition of his mortgage, the Secretary may require the mortgagee to assign such mortgage, together with the incidents thereto, upon payment of the value of the mortgage determined in accordance with this section.

BANKHEAD-JONES FARM TENANT ACT, AS AMENDED (Cont'd)

PROCEDURE WITH RESPECT TO MORTGAGES IN DEFAULT

Sec. 14.

- (a) Upon accepting the assignment of any insured mortgage, the Secretary shall ascertain whether or not the mortgagor (which term as used in this section shall include the mortgagor or his heirs or assigns) desires to remain in possession of the mortgaged property. If the mortgagor does not desire to remain in possession of the mortgaged property or if the Secretary is unable to make the findings prescribed by the next sentence, the Secretary may proceed to foreclose the mortgage. If the mortgagor desires to remain in possession of the mortgaged property and if the Secretary finds that the mortgagor (1) has made reasonable efforts to meet all defaulted payments and to comply with the other covenants and conditions of his mortgage and (2) will probably be able to meet such defaulted payments within five years after the maturity date or dates of the defaulted payments, the Secretary may enter into an agreement with the mortgagor providing for the payment of such defaulted payments together with interest thereon, at such times not later than five years after the maturity date or dates as the Secretary may deem to be within the probable future means of the mortgagor. Should any mortgagor with whom the Secretary has entered into such agreement thereafter fail to meet any payments, the Secretary may proceed to foreclose the mortgage. Expenses and fees incident to foreclosure may be advanced out of the fund for the account of the mortgagor.
- (b) Amounts realized under section 51 on account of property which was subject to an insured mortgage shall be deposited in the fund. Amounts payable by the Secretary under section 50 with respect to such property, and any necessary costs and expenditures for the operation, preservation, and protection of such property, shall be paid out of the fund.

Sec. 15.

- (a) The first paragraph of section 24, chapter 6, of the Federal Reserve Act, as amended (U.S.C., 1940 ed., title 12, sec. 371) (relating to loans on farm lands by member banks), is hereby amended by inserting after the words "National Housing Act", the following: "or which are insured by the Secretary of Agriculture pursuant to title I of the Bankhead-Jones Farm Tenant Act". Section 5200 of the Revised Statutes (12 U.S.C. 84) is hereby amended to add a new paragraph bearing the next number after that of the last paragraph of the present section 5200 of the Revised Statutes and reading as follows: "Obligations insured by the Secretary of Agriculture pursuant to the Bankhead-Jones Farm Tenant Act, as amended, or the Act of August 28, 1937, as amended (relating to the conservation of water resources), shall be subject under this section to a limitation of 15 per centum of such capital and surplus in addition to such 10 per centum of such capital and surplus."

BANKHEAD-JONES FARM TENANT ACT, AS AMENDED (Cont'd)

- (b) Section 35 of chapter III of the Act entitled "An Act to regulate the business of life insurance in the District of Columbia," approved June 19, 1934 (D.C. Code, 1940 edition, title 35, sec. 535), is amended by inserting in paragraph (3a) after the words "Federal Housing Administrator" the following: "or by the Secretary of Agriculture pursuant to title I of the Bankhead-Jones Farm Tenant Act".

Sec. 16.

- (a) The Secretary is authorized to insure and to make commitments for the insurance of loans made for the purposes specified in this title (including those made in accordance with the Act of October 19, 1949) and to take as security for the obligations entered into in connection with such loans first or second mortgages on the farms with respect to which such loans are made and such other security as may be required by the Secretary. Such mortgages shall create a lien running to the United States for the benefit of the fund, notwithstanding the fact that the note may be held by the lender or his assignee. Loans insured under this section shall not be in excess of 90 per centum of the amount certified by the county committee to be the value of the farm, less any prior lien indebtedness.
- (b) Loans insured under this section shall be subject to all the provisions of this title, except as otherwise provided in this section, and with respect to such loans, the terms used in this Act shall have the following meanings as the context requires:
- (1) "Mortgage" shall mean "loan" or "the instruments relating to a loan";
 - (2) "Insured mortgage" shall mean "note endorsed for insurance";
 - (3) "Mortgagor" shall mean "borrower" or "obligor on the note";
 - (4) "Mortgagee" shall mean "lender" or "holder of insured note."
- (c) Any mortgage insured or any loan made under this Act may be converted to an insured loan under this section at the discretion of the Secretary, and any expenses in connection with such conversion may be paid out of appropriations for administrative expenses.
- (d) In connection with loans insured or converted under this section
- (1) the holder of the insured note shall be entitled to receive the benefits of the insurance as provided in section 13 (a) only in accordance with an agreement pursuant to section 12 (j) or when the assignment of the note is required by the Secretary, and
 - (2) notice of default to the lender under section 12 (f) shall not be required.

BANKHEAD-JONES FARM TENANT ACT, AS AMENDED (Cont'd)

Sec. 17. Until June 30, 1961, the purposes for which loans may be made or insured under this title shall include the advances of funds for refinancing secured or unsecured indebtedness of eligible farmers on farms of not more than family size who are presently unable to meet the terms and conditions of their outstanding indebtedness and are unable to refinance such debts with commercial banks, cooperative lending agencies, or other responsible credit sources at rates and terms which they could reasonably be expected to fulfill. No such loans shall be made to an applicant whose total indebtedness is in excess of the amount certified by the county committee to be the value of the real estate and the reasonable value of the applicant's other assets unless the aggregate of the outstanding indebtedness shall be adjusted so as to be within such values. The total amount of loans insured in any one fiscal year under this section shall not exceed \$50,000,000.

Sec. 18.

(a) The Secretary of Agriculture is authorized:

- (1) To make loans complying with the requirements of title I of this Act for the purpose of insuring and selling such loans to lenders other than the United States. Any security instrument taken in connection with such loan shall create a lien running to the United States, notwithstanding the fact that the note may be held by such lender or his assignee;
- (2) To insure and make commitments to insure such loans, which, when endorsed for insurance, shall be covered by the insurance provisions of this title;
- (3) To sell such loans at an annual charge, at a rate to be determined by the Secretary, of not less than 1 per centum of the unpaid principal obligation from time to time outstanding on the loan, such charge to be retained by the Secretary out of interest payments made by the borrower: Provided, That the total of the rate of such charge plus the rate of return to the holder of the note shall not exceed the interest rate specified in the note. Out of the charges so collected an amount not in excess of one-half of 1 per centum of such unpaid principal obligations shall be deposited in and become a part of the fund. The remainder of such charges collected shall be deposited in the Treasury to the credit of the Secretary and may be transferred annually to the administrative expense account of the Farmers Home Administration and become merged therewith. Each such loan shall be sold at the full amount of the unpaid balance thereof at the time of sale, but no loan shall be sold if such balance exceeds 90 per centum of the amount certified by the county committee to be the value of the farm, less any prior lien indebtedness at the time the loan was made or upon a determination of such fact by the Secretary at the time of sale;

BANKHEAD-JONES FARM TENANT ACT, AS AMENDED (Cont'd)

- (4) To make loans out of moneys in the fund for the purpose of insuring and selling the same under this section: Provided, however, That no loan made under this item (4) shall be in excess of 90 per centum of the amount certified by the county committee to be the value of the farm less any prior lien indebtedness: And provided further, That no loan shall be made under this item (4) unless the Secretary has reasonable assurance that it can be sold without undue delay. The Secretary may, at his discretion, utilize the provisions of subsections 13 (b) and 13 (c) of this title to borrow from the Secretary of the Treasury an additional sum not in excess of \$5,000,000 for deposit in the fund for this purpose and said subsections are hereby extended to cover such borrowings for the purpose of making loans under this item (4) and under item (4) of subsection 11 (a) of the Act of August 28, 1937, as amended (relating to the conservation of water resources). The amount of the principal obligations on loans made under this item (4) and not disposed of under this section, plus the amount of the principal obligations on loans made out of moneys in the fund under said item (4) of subsection 11 (a) of the Act of August 28, 1937, as amended, and not disposed of under such section 11, shall not exceed the aggregate sum of \$5,000,000 at any one time.
- (b) The interest rate shall be as provided in section 3 (b) (2) of this title and the borrower shall not be required to pay any additional charges for insurance of the loan, but the Secretary may require the payment of such appraisal and delinquency charges as he deems proper.
- (c) The amount of the principal obligations on loans made under item (a) (4) of this section shall be included in computing the aggregate amount of the principal obligations which may be insured in any one fiscal year, as provided in section 12 (b) of this title, at the time such loans are made. The amount of the principal obligations on any other loans made by the Secretary and insured under this section shall not be included in computing said aggregate amount.
- (d) Loans made from funds advanced by lenders other than the United States may be insured by the Secretary upon terms and conditions consistent with the provisions of this section. Loans made or insured under this section shall be subject to all the provisions of this title except as otherwise provided in this section.
- (e) Any loan heretofore or hereafter made or insured under this title may be converted to an insured loan under this section at the discretion of the Secretary, and any expenses in connection with such conversion may be paid out of funds available for administrative expenses.
- (f) The Secretary is further authorized to sell any loan heretofore or hereafter made or insured under this title without insurance thereof upon the written consent of the borrower, or without such consent when the borrower has failed to comply with his agreement to refinance the indebtedness at the request of the Secretary. Such loan shall be sold at the full amount of the unpaid balance thereof, and upon such sale the Secretary is authorized to assign the security instrument and evidence of debt in such manner that the United States shall have no further right or obligation with respect to the loan.

BANKHEAD-JONES FARM TENANT ACT, AS AMENDED (CONT'D)

TITLE II - OPERATING LOANS

Sec. 21

- (a) The Secretary may make loans to farmers and stockmen who are operators of family-type farms and who are citizens of the United States for the purchase of livestock, seed, feed, fertilizer, farm equipment, supplies, and other farm needs, the cost of reorganizing the farming enterprise or changing farming practices to accomplish more diversified or more profitable farming operations, the refinancing of existing indebtedness, and for family subsistence: Provided, however, That loans may be made to operators who are bona fide farmers who have historically resided on farms and depended on farm income for their livelihood, and who are conducting substantial farming operations on units which are less than family-type units, if the units are of sufficient size to produce income which, together with income from other sources, including pensions in the case of disabled veterans, will enable them to meet living and operating expenses and the amounts due on their loans.
- (b) No loan shall be made under this section for the purchase or leasing of land or for the carrying on of any land-purchase or land-leasing program. No loan may be made to any one borrower under this section which would cause the total principal amount outstanding to exceed \$10,000: Provided, however, That an amount not to exceed 10 per centum of the sum made available by annual appropriation for loans under this title may be used for making loans to borrowers, which would cause such indebtedness to exceed \$10,000 but in no event may any loan be made which would cause such indebtedness to exceed \$20,000.
- (c) The terms of loans under this section, including any renewal or extension of any such loan except as provided in subsection (d) hereof, shall not exceed seven years from the date the original loan was made.
- (d) No person who has failed to liquidate his indebtedness under this section for seven consecutive years shall be eligible for loans hereunder: Provided, however, That in justifiable cases where the Secretary finds that the inability of a borrower to repay his indebtedness under this section within seven years is due to causes beyond the control of the borrower, the Secretary may extend or renew such loans to be repayable in not to exceed ten years from the date the original loan was made, and during such extended term may make additional loans to such persons, if necessary.

DEBT ADJUSTMENT

- Sec. 22. The Secretary may assist in the voluntary adjustment of indebtedness between farm debtors and their creditors and may cooperate with State, Territorial, and local agencies and committees engaged in such debt adjustment. Services furnished by the Secretary under this section may be without charge to the debtor or creditor.

BANKHEAD-JONES FARM TENANT ACT, AS AMENDED (Cont'd)

APPROPRIATION

Sec. 23. There is authorized to be appropriated to the Secretary such sums as the Congress may from time to time determine to be necessary to enable the Secretary to carry out the purposes of this title.

TITLE IV--GENERAL PROVISIONS

FARMERS' HOME CORPORATION

Sec. 40.

- (a) There is hereby created as an agency, of and within the Department of Agriculture, a body corporate with the name "Farmers' Home Corporation" (in this Act called the Corporation). The principal office of the Corporation shall be located in the District of Columbia, but there may be established agencies or branch offices elsewhere in the United States under rules and regulations prescribed by the Board of Directors.
- (b) The Secretary shall have power to delegate to the Corporation such powers and duties conferred upon him under title I or title II, or both, and such powers under title IV as relate to the exercise of the powers and duties so delegated, as he deems may be necessary to the efficient carrying out of the purposes of such titles and may be executed by the Corporation, and to transfer to the Corporation such funds available for such purposes as he deems necessary. In connection with and in the exercise of such powers and duties so delegated, all provisions of this Act relating to the powers and duties of, and limitations upon, the Secretary shall apply to the Corporation in the same manner as to the Secretary, and the term "Secretary" shall be construed to include "Corporation".
- (c) The Corporation shall have a nominal capital stock in an amount determined and subscribed for by the Secretary. Receipts for payments for or on account of such stock shall be issued by the Corporation to the Secretary and shall be evidence of the stock ownership of the United States.
- (d) The management of the Corporation shall be vested in a board of directors (in this Act called the Board) subject to the general supervision of the Secretary. The Board shall consist of three persons employed in the Department of Agriculture who shall be designated by the Secretary. Vacancies in the Board, so long as there are two members in office, shall not impair the powers of the Board to execute its functions and two of the members in office shall constitute a quorum for the transaction of business. The directors, appointed as hereinbefore provided, shall receive no additional compensation for their services as such directors but may be allowed travel and subsistence expenses when engaged in business of the Corporation outside of the District of Columbia.
- (e) The Board may select, subject to the approval of the Secretary, an administrator, who shall be the executive officer of the Corporation, with such power and authority as may be conferred upon him by the Board.

BANKHEAD-JONES FARM TENANT ACT, AS AMENDED (Cont'd)

- (f) The Corporation -
- (1) Shall have succession in its corporate name;
 - (2) May adopt, alter, and use a corporate seal, which shall be judicially noticed;
 - (3) May sue and be sued in its corporate name in any court of competent jurisdiction, State or Federal: Provided, That the prosecution and defense of all litigation to which the Corporation may be a party shall be conducted under the supervision of the Attorney General, and the Corporation shall be represented by the United States Attorneys for the districts, respectively, in which such litigation may arise, or by such other attorney or attorneys as may, under the law, be designated by the Attorney General: And provided further, That no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Corporation or its property;
 - (4) May adopt, amend, and repeal bylaws, rules, and regulations governing the manner in which its business may be conducted and the powers vested in it may be exercised and enjoyed;
 - (5) Shall be entitled to the free use of the United States mails in the same manner as other executive agencies of the Government;
 - (6) Shall have such powers as may be necessary or appropriate for the exercise of the powers vested in the Corporation (including, but subject to the limitations of this Act, the power to make contracts, and to purchase or lease, and to hold or dispose of, such real and personal property as it deems necessary) and all such incidental powers as are customary in corporations generally. The Board shall define the authority and duties of the officers and employees of the Corporation, delegate to them such of the powers vested in the Corporation as it may determine, and require bonds of such of them as it may designate and fix the penalties and pay the premiums of such bonds.
- (g) Insofar as applicable, the benefits of the Act entitled "An Act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, shall extend to employees of the Corporation.
- (h) All money of the Corporation not otherwise employed may be deposited with the Treasurer of the United States or in any bank approved by the Secretary of the Treasury, subject to withdrawal by the Corporation at any time, or with the approval of the Secretary of the Treasury may be invested in obligations of the United States. Subject to the approval of the Secretary of the Treasury, the Federal Reserve banks are hereby authorized and directed to act as depositories, custodians, and fiscal agents for the Corporation in the performance of its powers.
- (i) The Corporation, including its franchises, its capital, reserves, and surplus and its income and property shall, except as otherwise provided in section 50 (a), be exempt from all taxation now or hereafter imposed by the United States or any State, Territory, District, dependency, or political subdivision.

BANKHEAD-JONES FARM TENANT ACT, AS AMENDED (Cont'd)

- (j) The Corporation shall at all times maintain complete and accurate books of account and shall file annually with the Secretary a complete report as to the business of the Corporation.

Sec. 41. For the purposes of this Act, the Secretary shall have the power to--

- (a) Appoint (without regard to the civil-service laws or the Classification Act of 1949) such experts as may be necessary in carrying out the provisions of this Act: Provided, That the Administrator of the Farmers Home Administration shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive basic compensation at the rate of \$17,500 per annum. The salary of none of such experts shall exceed \$10,000 per annum. The Secretary shall also have the power to appoint, subject to the provisions of the civil-service laws, such other officers and employees as may be necessary and fix their compensation in accordance with the Classification Act of 1949, except that for a period of not to exceed nine months from the effective date of this provision, the Secretary may make appointments and continue employees of the Farm Security Administration and the non-civil-service employees of the Emergency Crop and Feed Loan Division, utilized in the performance of the functions of the Farmers' Home Administration under this Act, without regard to the civil-service laws or regulations.
- (b) The Secretary may administer his powers and duties under this Act through such area finance, State, and local offices in the United States and in the Territories of Alaska and Hawaii and in Puerto Rico and the Virgin Islands as he determines to be necessary: Provided, That existing regional offices shall be liquidated on or before June 30, 1947. The Secretary may authorize one office to serve the area composed of two or more States (Territories or Puerto Rico and the Virgin Islands) if he determines that the volume of business in the area is not sufficient to justify separate State offices.
- (c) Accept and utilize voluntary and uncompensated services, and with the consent of the agency concerned, utilize the officers, employees, equipment, and information of any agency of the Federal Government, or of any State, Territory, or political subdivision.
- (d) Within the limits of appropriations made therefor, make necessary expenditures for personal services and rent at the seat of government and elsewhere; contract stenographic reporting services; purchase and exchange of supplies and equipment, law books, books of reference, directories, periodicals, news papers, and press clippings; travel and subsistence expenses, including the expense of attendance at meetings and conferences; purchase, operation, and maintenance, at the seat of government and elsewhere, of motor-propelled passenger-carrying and other vehicles; printing and binding; and for such other facilities and services as he may from time to time find necessary for the proper administration of this Act.
- (e) Make contracts for services and purchase of supplies without regard to the provisions of section 3709 of the Revised Statutes (U.S.C. 1934 ed., title 41, sec. 5) when the aggregate amount involved is less than \$300.

BANKHEAD-JONES FARM TENANT ACT, AS AMENDED (Cont'd)

- (f) Acquire land and interests therein without regard to section 355 of the Revised Statutes, as amended. This subsection shall not apply with respect to the acquisition of land or interests in land under title III.
- (g) Compromise, adjust, or reduce claims and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into or administered by the Farmers' Home Administration under any of its programs, as circumstances may require: Provided, however, that -
 - (1) compromise, adjustment, or reduction of claims of \$15,000 or more must be effected by reference to the Secretary of the Treasury or to the Attorney General pursuant to the provisions of section 3469 of the Revised Statutes (31 U.S.C. 194);
 - (2) compromise, adjustment, or reduction of claims shall be based on a reasonable determination by the Secretary of the debtor's ability to pay and the value of the security and with or without the payment of any consideration at the time of such adjustment or reduction;
 - (3) releases from personal liability may also be made with or without the payment of any consideration at the time of adjustment of claims against -
 - (A) borrowers who have transferred the security property to other approved applicants under agreements assuming the outstanding secured indebtedness; and
 - (B) borrowers who have transferred their farms to other approved applicants under agreements assuming that portion of their outstanding indebtedness against the farm which is equal to the value of the farm at the time of the transfer, and borrowers whose farms have been acquired by the Secretary, in cases where the county committees certify and the Secretary determines that the borrowers have cooperated in good faith with the Secretary, have farmed in a workmanlike manner, used due diligence to maintain the security against loss, and otherwise fulfilled the covenants incident to their loans, to the best of their abilities;
 - (4) no compromise, adjustment, or reduction of claims shall be made upon terms more favorable than recommended by the appropriate county committee established pursuant to section 42 of this Act; and
 - (5) any claim which has been due and payable for five years or more, and where the debtor has no assets from which the claim could be collected and has no apparent future debt payment ability, or is deceased and has left no estate, or has been absent from his last known address for a period of at least five years, has no known assets, and his whereabouts cannot be ascertained without undue expense, may be charged off or released by the Secretary upon a report and favorable recommendation of the employee of the Administration having charge of the claim: Provided, however, That claims involving a principal balance of \$150 or less may be charged off or released whenever it appears to the Secretary that further collection efforts would be ineffectual or likely to prove uneconomical.

BAITHEAD-JONES FARM TENANT ACT, AS AMENDED (Cont'd)

- (h) Collect all claims and obligations arising or administered under this Act, or under any mortgage, lease, contract, or agreement entered into or administered pursuant to this Act and, if in his judgment necessary and advisable, pursue the same to final collection in any court having jurisdiction. All legal work arising out of such claims and obligations, including, but not limited to, the prosecution and defense of all litigation, is authorized to be performed, as determined by the Solicitor of the Department of Agriculture, through the Department of Justice, by attorneys of the Office of the Solicitor of the Department of Agriculture, or by local counsel approved by the Solicitor of the Department of Agriculture, whose fees, upon approval by the Solicitor, shall be paid by the Secretary; and
- (i) Make such rules and regulations and such delegations of authority as he deems necessary to carry out this Act.

COUNTY COMMITTEES

Sec. 42.

- (a) The Secretary is authorized and directed to appoint in each county or area in which activities are carried on under this Act a county or area committee composed of three individuals residing in the county or area at least two of whom shall be farmers residing on a farm and deriving the principal part of their income from farming. In making the first appointments pursuant to the amendments made by Farmers' Home Administration Act of 1946, the Secretary shall designate one member of each committee to serve for a period of one year, one member to serve for a period of two years, and one member to serve for a period of three years. All subsequent appointments shall be for a three-year period. The Secretary may appoint an alternate for each member of each committee who shall have the same qualifications and be appointed for the same term as such member. The members of each committee shall elect one member to serve as chairman. Members of the committees and their alternates shall be removable for cause by the Secretary.
- (b) Each member of the committee shall be allowed compensation at the rate of not to exceed \$5 per day while engaged in the performance of duties under this Act. The number of days per month that each member may be paid shall be determined and approved by the Secretary. In addition, they shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses. The compensation and expenses of the committee members and their alternates shall be paid by the Secretary.

BANKHEAD-JONES FARM TENANT ACT, AS AMENDED (Cont'd)

- (c) The committee shall meet on the call of the committee chairman, or on the call of such other person as the Secretary may designate. Two members of the committee shall constitute a quorum. The Secretary shall prescribe rules governing the procedure of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistants as he deems may be required by any committee.
- (d) Committees established under this Act shall, in addition to the duties specifically imposed under this Act, perform such other duties under this Act as the Secretary may require of them, or as may be delegated to them by the Secretary.

RESETTLEMENT PROJECTS

Sec. 43.

- (a) The Secretary shall do all things necessary to complete the liquidation as expeditiously as possible of all resettlement projects and rural rehabilitation projects for resettlement purposes including, but not limited to, defense relocation corporations, land-leasing and land-purchasing associations, all properties retransferred from the National Housing Agency by section 2 (a) (3) of the Farmers' Home Administration Act of 1946, and all other corporations or associations organized for similar purposes and financed, in whole or in part, with funds made available to the Secretary, the War Food Administrator, the Farm Security Administration, the Resettlement Administration or the Federal Emergency Relief Administration.
- (b) Within six months after the effective date of the Farmers' Home Administration Act of 1946, the Secretary shall determine which of the lands comprising the projects described in (a) hereof are suitable for use, either with or without subdivision, as farms of sufficient size to constitute efficient farm management units and to enable diligent farm families to carry on farming of a type which the Secretary deems can be carried on successfully in the localities in which the lands are situated. The Secretary shall file with the Congress, promptly after making such determination, a complete report of the determination with full information as to the location of all lands comprising such projects, and of the facts taken into account by the Secretary in making the determination. All lands which the Secretary determines are suitable for farming and all personal property incident to or comprising such projects and usable in farming operations shall, wherever practicable, be sold by the Secretary as expeditiously as possible to individuals eligible to receive the benefits of title I of this Act and in a manner consistent with the provisions of such title. The Secretary, if appropriations are made therefor by Congress, may make loans to such purchasers to enable them to improve such lands or repair such property, which loans shall be made only after certification of the county committees and otherwise in a manner consistent with the provisions of title I: Provided, That all sales of project lands in economic units shall be in accordance with the terms, conditions, and limitations of S. 704, Seventy-ninth Congress, second session.

BANKHEAD-JONES FARM TENANT ACT, AS AMENDED (Cont'd)

- (c) Public facilities, such as electric light, water and sewage systems, buildings and lands for schools and churches, and land for public roads, streets, and alleys, may be granted or dedicated to public or semipublic institutions or granted to public or private organizations where (1) such facilities or lands cannot be sold at reasonable prices, (2) similar facilities or lands are not available at reasonable rates and terms to the inhabitants of the particular area and (3) the recipients of such facilities will agree to operate and maintain them and shall relieve the Government of all responsibility in connection therewith. In making grants or dedications of such facilities, the Secretary shall give due consideration to all applications for such grants or dedications and shall award the facilities to the organization or institution found by the Secretary to be most capable of maintaining and operating such properties. In all sales, grants, or dedications of such facilities, the Secretary shall take reasonable precautions to provide that they will not be used in competition with companies or organizations in the area furnishing adequate services to the inhabitants upon reasonable rates and terms.
- (d) Real and personal property comprising such projects which is not determined by the Secretary to be suitable for sale as provided in (b) hereof, or which is not granted or dedicated as provided in (c) hereof, shall, within eighteen months after the effective date of the Farmers' Home Administration Act of 1946, either be transferred by the Secretary to appropriate agencies of the United States for disposition as surplus property of the United States or be sold by the Secretary at public or private sale to any individual or corporation at the best price obtainable, after public notice, for cash or on secured credit, without regard to the laws governing the disposition of surplus real or personal property of the United States: Provided, however, That in the case of all sales on credit under this subparagraph (d) the Secretary shall obtain an initial cash payment of at least 20 per centum of the sales price and the remainder shall be paid in equal annual installments within a term not in excess of five years: Provided further, That whenever it is found by the Secretary that it is not practicable to dispose of lands reserved for sale pursuant to subparagraph (b) hereof under the provisions of title I of this Act, such lands may be sold by the Secretary under the authority of this subparagraph (d).
- (e) The Secretary shall cause the defense relocation corporations, land-leasing and land-purchasing associations, and other similar corporations or associations to sell properties to which they hold title in accordance with the limitations and procedures prescribed in this section.

BANKHEAD-JONES FARM TENANT ACT, AS AMENDED (Cont'd)

SPECIAL CONDITIONS AND LIMITATIONS ON LOANS

Sec. 44. The Secretary, under this Act--

- (a) Shall make no loan--
 - (1) to any corporation or cooperative association;
 - (2) unless the appropriate county committee certifies in writing that the applicant is eligible to obtain such loan and that, in the opinion of such committee, he will honestly endeavor to carry out undertakings and obligations required of him under a loan which may be made by the Secretary;
 - (3) to any person, unless the applicant represents in writing, and it is administratively determined by the Secretary, after a certification to such effect by the appropriate county committee, that credit sufficient in amount to finance the actual needs of the applicant is not available to him at the rates (but not exceeding the rate of 5 per centum per annum) and terms prevailing in the community in or near which the applicant resides for loans of similar size and character from commercial banks, cooperative lending agencies, or from any other responsible source;
 - (4) for the carrying on of any land-purchase or land-leasing program, or for the purpose of carrying on any operations in collective farming, or cooperative farming, or for the organization, promotion, or management of homestead associations, land-leasing associations, land-purchasing associations, or cooperative land-purchasing for colonies of rehabilitants and tenant purchasers, except for the liquidation as expeditiously as possible of any such projects heretofore initiated.
- (b) Shall, except as otherwise specifically provided by the Congress, make all loans at the interest rate of 5 per centum per annum evidenced by notes requiring full liability of the maker and upon such security and such other terms and conditions as the Secretary may prescribe, including such provisions for the supervision of the borrower as the Secretary shall deem necessary to protect his interests.
- (c) Shall, in the case of every loan, require in the loan and security instruments that if at any time it shall appear to the Secretary that the borrower may be able to obtain a loan from a production credit association, Federal land bank, or other responsible cooperative or private credit source at rates (but not exceeding the rate of 5 per centum per annum) and terms for loans for similar periods of time and purposes prevailing in the area in which the loan is to be made, the borrower shall, upon request of the Secretary, apply for and accept such loan in sufficient amount to repay the Secretary and to pay for any stock necessary to be purchased in the cooperative lending agency in connection with the loan. Provided, however, That in the case of mortgage loans heretofore or hereafter insured under this title, the Secretary may at his discretion delay his request for refinancing until the borrower has acquired a sufficient equity in the farm to enable the holder of the insured mortgage to refinance the loan on an uninsured basis under laws or regulations to which he may be subject.

BANCHEAD-JONES FARM TENANT ACT, AS AMENDED (Cont'd)

TRANSFER OF LANDS TO SECRETARY

Sec. 45. The President may at any time in his discretion transfer to the Secretary any right, interest or title held by the United States in any lands acquired in the program of national defense and no longer needed therefor, which the President shall find suitable for the purposes of this Act, and the Secretary shall dispose of such lands in the manner and subject to the terms and conditions of this Act.

TRANSACTIONS WITH CORPORATIONS

Sec. 46. Nothing in this Act shall authorize the making of any loan or the sale or other disposition of real property or any interest therein, other than interests in coal, oil, gas or other minerals, to any private corporation, except in furtherance of liquidation or the leasing of mineral interests to corporations or individuals from time to time in accordance with policies established by the Secretary of Agriculture.

SURVEYS AND INVESTIGATIONS

Sec. 47. The Secretary is authorized to conduct surveys and investigations relating to the conditions and factors affecting, and the methods of accomplishing most effectively, the purposes of this Act, and may, when funds are specifically appropriated therefor by the Congress, publish and disseminate information pertinent to the various aspects of its activities.

VARIABLE PAYMENTS

Sec. 48. The Secretary shall require annual payments in installments sufficient to pay any obligations or indebtedness to him under this Act within the term of such obligation or indebtedness. The Secretary shall provide a method whereby a borrower may pay any obligation or indebtedness by a system of variable payments under which a surplus above the required installment for any year may be paid in periods of above-normal income and employed to reduce payments below the required annual payment in subsequent periods of subnormal income. Any advance payments to the Secretary shall not affect the obligation to pay the required annual installment during periods of normal or above-normal income. The foregoing requirements shall not preclude establishing the initial annual payment at a date not exceeding two full crop years from the date of the loan where the Secretary determines that farm income sufficient to make the initial payment cannot be readily anticipated at an earlier date, but this provision shall not have the effect of extending the maximum term of any loan.

BANKHEAD-JONES FARM TENANT ACT, AS AMENDED (Cont'd)

SET-OFF

Sec. 49. No set-off shall be made against any payment to be made by the Secretary to any person under the provisions of this Act, by reason of any indebtedness of such person to the United States, and no debt due to the Secretary under the provisions of this Act shall be set off against any payments owing by the United States, unless the Secretary shall find that such set-off will not adversely affect the objectives of this Act.

TAXATION

- Sec. 50.
- (a) All property which is being utilized to carry out the purposes of title I of this Act (other than property used solely for administrative purposes) shall, notwithstanding that legal title to such property remains in the Secretary, be subject to taxation by the State, Territory, district, dependency, and political subdivision concerned, in the same manner and to the same extent as other similar property is taxed.
 - (b) All property to which subsection (a) of this section is inapplicable which is held by the Secretary pursuant to this Act shall be exempt from all taxation now or hereafter imposed by the United States or any State, Territory, district, dependency, or political subdivision, but the Secretary shall make payments in respect of any such property in lieu of taxes.

BID AT FORECLOSURE

Sec. 51. The Secretary is authorized and empowered to make advances to preserve and protect the security for, or the lien or priority of the lien securing, any loan or other indebtedness owing to, insured by or acquired by the Secretary under any programs administered by the Farmers' Home Administration; to bid for and purchase at any foreclosure or other sale or otherwise acquire property pledged, mortgaged, conveyed, attached, or levied upon to secure the payment of any such indebtedness; to accept title to any property so purchased or acquired; to operate for a period not in excess of one year from the date of acquisition, or lease such property for such period as may be deemed necessary to protect the investment therein; to sell or grant rights-of-way or easements over such property; and to sell or otherwise dispose of such property in a manner consistent with the provisions of section 43 of this Act. Any advances or expenditures under this section with respect to any insured loan or insured mortgage shall be paid out of the mortgage insurance fund.

BANKHEAD-JONES FARM TENANT ACT, AS AMENDED (Cont'd)

FEES AND COMMISSIONS PROHIBITED

Sec. 53. No officer, attorney, or other employee of the Secretary shall, directly or indirectly, be the beneficiary of or receive any fee, commission, gift, or other consideration for or in connection with any transaction or business under this Act other than such salary, fee or other compensation as he may receive as such officer, attorney, or employee. No member of a county committee established under section 42 shall knowingly make or join in making any certification prohibited by section 2 (c). Any person violating any provision of this section shall, upon conviction thereof, be punished by a fine of not more than \$2,000 or imprisonment for not more than two years, or both.

EXTENSION OF TERRITORIES

Sec. 54. The provisions of this Act shall extend to the Territories of Alaska and Hawaii and to Puerto Rico and the Virgin Islands. In the case of Alaska and Puerto Rico and the Virgin Islands, the term 'county' as used in this Act shall be deemed synonymous with 'Territory', or any subdivision thereof as may be designated by the Secretary, and payments under section 33 of this Act shall be made to the Governor of the Territory or to the fiscal agent of such subdivision.

SEPARABILITY

Sec. 55. If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of the Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

PUBLIC LAW 361 - 81st CONGRESS, 1st SESSION

AN ACT TO EXTEND FINANCIAL ASSISTANCE TO HOMESTEAD ENTRYMEN

Sec. 1.

The Secretary of Agriculture is authorized to make a loan or loans for any purpose authorized by and in accordance with the terms of the Bankhead-Jones Farm Tenant Act, as amended, or the Act of August 28, 1937, as amended, to any person eligible for assistance under said Acts who has made or makes a homestead entry on public land or who has contracted for or contracts for the purchase of other land of the United States in a reclamation project pursuant to the applicable provisions of the homestead and reclamation laws. Any such loans required by the Secretary of Agriculture or by law to be secured by a real-estate mortgage may be secured by a mortgage contract which shall create a lien against the land in favor of the United States acting through the Secretary of Agriculture and any patent thereafter issued shall recite the existence of such lien. The first installment for the repayment of any such loan or any other loan made under the Bankhead-Jones Farm Tenant Act, as amended, or the Act of August 28, 1937, as amended, to the owner of a newly irrigated farm in a reclamation project, may be deferred for a period of not to exceed two years from the date of the first advance under such loan.

Sec. 2.

Any entry or purchase contract land with respect to which a loan is made under the authority of this Act shall be subject to cancellation by the Secretary of the Interior as provided by existing law or upon request of the Secretary of Agriculture whenever default occurs in the terms, conditions, covenants, or obligations contained in the mortgage. After cancellation or relinquishment of an entry or purchase contract, land on which there is a mortgage lien, pursuant to the provisions of this Act, shall thereafter, except as hereinafter provided, only be open to entry or resale to persons eligible for both an original entry or purchase contract and an original loan. Such entry or resale shall be subject to the outstanding balance of any amounts due the United States with respect to such land or such portion thereof as may be determined by the Secretary of Agriculture and the Secretary of the Interior, or their delegates, to be within the entryman's or purchaser's ability to pay on the basis of the longtime earning capacity of the land. If no entry or purchase is made within one year after the cancellation or relinquishment of a prior entry or purchase of land on which there is such a mortgage lien, the land shall be disposed of by the Secretary of Agriculture on terms consistent with the provisions of section 43 of the Bankhead-Jones Farm Tenant Act, as amended, for the satisfaction of the indebtedness secured by the mortgage, subject, however, to other outstanding charges on the land due the United States, and the purchaser of such land shall be entitled to the issuance of patent or deed upon the completion of all requirements with respect to the payment of such charges.

PUBLIC LAW 361 - 81st CONGRESS, 1st SESSION (cont'd)

Note: Sec. 7 of Public Law 258 (approved August 13, 1953 which permits the exchange and amendment of farm units on Federal irrigation projects) provides as follows: "Any exchange pursuant to this Act of land that is subject to a mortgage contract with the Secretary of Agriculture under the Act of October 19, 1949 (63 Stat. 883; 7 U.S.C., 1946 edition, secs. 1006a and 1006b), and any disposition pursuant to this Act of property that is subject to such a mortgage contract, shall be effected only in such form and manner and upon such terms and conditions as are consistent with the authority of the Secretary of Agriculture over such mortgage contract and such property under the Bankhead-Jones Farm Tenant Act (50 Stat. 522; 7 U.S.C., sec 1000 et seq.), as amended, as supplemented by said Act of October 19, 1949."

PUBLIC LAW 760 - 81st CONGRESS - 2nd SESSION

AN ACT TO CONVEY CERTAIN MINERAL RIGHTS

Sec. 1.

That, notwithstanding any other provisions of law, the Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized and directed to sell, as hereinafter provided, all mineral interests now owned by the United States, which have been reserved or acquired by it under any program heretofore administered by the Resettlement Administration, or the Farm Security Administration or now administered by the Farmers Home Administration, except the program administered pursuant to title III of the Bankhead-Jones Farm Tenant Act, as amended, and the program for the liquidation of labor camps pursuant to Public Law 298, Eightieth Congress.

Sec. 2.

Such mineral interests shall be sold only to private persons who shall apply therefor and who at the time of application are the owners of the surface of the land covered by the application. Applicants shall establish their title to the surface of the land covered by the application to the satisfaction of the Secretary at their own expense. Conveyances of mineral interests shall be by quitclaim deed executed by the Secretary or his delegate.

Sec. 3.

In areas where the Secretary determines after consultation with the Department of the Interior and competent local authorities that there is no active mineral development or leasing, the mineral interests covered by a single application shall be sold for a consideration of \$1. In other areas the mineral interests shall be sold at the fair market value thereof as determined by the Secretary after taking into consideration such appraisals as he deems necessary or appropriate. Area determinations made by the Secretary pursuant to this section may be revised from time to time and the consideration to be obtained for the mineral interests in connection with any particular tract of land shall be determined by the rule applicable to the area in which the tract is located at the time of the application therefor: Provided, That, in the event any mineral interests covered by this Act are not sold as provided herein pursuant to application filed within seven years from September 6, 1950 or within seven years from the date of acquisition of the mineral interests of the United States, whichever date is later, the Secretary shall forthwith transfer title to such mineral interests, with the exception of those which were a part of or derived from the assets transferred pursuant to transfer agreements with State rural rehabilitation corporations, to the Secretary of the Interior to be administered under the mineral laws of the United States.

PUBLIC LAW 760 - 81st CONGRESS - 2nd SESSION (Cont'd.)

Sec. 4.

The Secretary is directed to authorize the Federal Farm Mortgage Corporation to sell and convey the mineral interests heretofore or hereafter acquired by it in conformity with the policy expressed in this Act with respect to the mineral interests described in Section 1 hereof.

Sec. 5.

All proceeds from sales made under this Act of mineral interests described in section 1 hereof shall be covered into the Treasury of the United States as miscellaneous receipts, except that the proceeds from sales of mineral interests which were a part of or derived from the assets transferred pursuant to the transfer agreements with State rural rehabilitation corporations shall be credited to the appropriate corporation account.

Sec. 6.

The Secretary may make such rules and regulations and such delegations of authority as he may deem necessary to carry out the provisions of this Act.

Sec. 7.

No application for the purchase of mineral interests under this Act shall be filed until ninety days after this Act becomes effective.

Sec. 8.

There is authorized to be appropriated to the Secretary such sums as Congress may from time to time determine to be necessary to enable the Secretary to carry out the provisions of this Act.

PUBLIC LAW 270 - 84th CONGRESS, 1st SESSION

To authorize adjustment by the Secretary of Agriculture of certain obligations of settlers on projects developed or subject to the Act of August 11, 1939, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the provisions of sections 41 (g), 43, and 51 of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1015 (g), 1017, and 1025), are hereby extended to apply on the obligations of settlers on the Angostura project in South Dakota developed under the Act of August 11, 1939, as amended (16 U. S. C. 590y-z).

PUBLIC LAW 399, AS AMENDED - 75th CONGRESS, 1st SESSION

AN ACT TO PROMOTE & AID IN DEVELOPING FACILITIES FOR
WATER STORAGE & UTILIZATION

Sec. 1.

That it is hereby recognized that the wastage and inadequate utilization of water resources on farm, grazing, and farming lands resulting from inadequate facilities for water storage and utilization contribute to the destruction of natural resources, injuries to public health and public lands, droughts, periodic floods, crop failures, decline in standards of living, and excessive dependence upon public relief, and thereby menace the national welfare. It is therefore hereby declared to be the policy of Congress to assist in providing facilities for water storage and utilization in the States of the United States and in Puerto Rico and the Virgin Islands.

Sec. 2.

In order to effectuate this policy and promote proper land use, the Secretary of Agriculture is hereby authorized, from time to time--

- (1) To formulate and keep current a program of projects for the construction and maintenance of ponds, reservoirs, wells, check-dams, pumping installations, and other facilities for water storage or utilization, together with appurtenances to such facilities. The facilities to be included within such program shall be located where they will promote the proper utilization of lands and no such facilities shall be located where they will encourage the cultivation of lands which are submarginal and which should be devoted to other uses in the public interest;
- (2) To construct and to sell or lease, with or without a money consideration, under such terms and conditions as will advance the purposes of this Act, the facilities mentioned in section 2 (1) and included within the program there provided for, including the lands upon which such facilities are located if they have been acquired or reserved for the purposes of this Act;
- (3) To cooperate or enter into agreements with, or to furnish financial or other aid to, any agency, governmental or otherwise, or any person, subject to such conditions as he may deem necessary for the purposes of this Act; and
- (4) To obtain options upon and to acquire lands, or rights or interests therein, or rights to the use of water, by purchase, lease, gift, exchange, condemnation, or otherwise, only when necessary for the purposes of this Act.

Sec. 3.

The facilities included in the program provided for in section 2 (1) may be located--

10 LAW 399, AS AMENDED - 75th CONGRESS, 1st SESSION - (Cont'd.)

- (a) On lands owned or controlled by the United States or any of its agencies, with the cooperation of the agency having jurisdiction thereof; and
- (b) On any other lands upon obtaining proper consent or the necessary rights or interests in such lands.

Sec. 4.

As a condition to extending benefits under this Act to any lands not owned or controlled by the United States or any of its agencies, The Secretary of Agriculture may, insofar as he may deem necessary for the purpose of this Act, require--

- (1) The enactment of State and local laws providing for soil conserving land uses and practices, and the storage, conservation and equitable utilization of waters;
- (2) Agreements or covenants in regard to the maintenance and permanent use of such water, facilities, or lands benefited by such facilities;
- (3) Contributions in money, services, materials, or otherwise to any operations conferring such benefits.

Sec. 5.

The Secretary of Agriculture, in administering the provisions of this Act, shall utilize the officers, employees, and facilities of agencies within the Department of Agriculture whose functions are related to the program provided for in this Act, and may allot to such agencies or transfer to such other agencies of the Federal Government as he may request to assist in carrying out any of the provisions of this Act, any funds available for the purposes of this Act.

Sec. 6.

For the purposes of this Act, the Secretary of Agriculture may--

- (1) Secure the cooperation of any governmental agency;
- (2) Make expenditures for personal services and rent in the District of Columbia and elsewhere, for the purchase of law books and of reference, for printing and binding, for the purchase, exchange, operation, and maintenance of passenger-carrying vehicles, for supplies and equipment, for traveling expenses and for other administrative expenses; and
- (3) Perform such acts, and prescribe such rules and regulations as he may deem proper to carry out the provisions of this Act.

Sec. 7.

There are hereby authorized to be appropriated for the purposes of this Act such sums as Congress may from time to time determine to be necessary.

PUBLIC LAW 399, AS AMENDED - 75th CONGRESS, 1st SESSION - (Cont'd)

Sec. 8.

No aid shall be extended under the provisions of this Act which will result in any individual, partnership, trust, estate, corporation engaged in farming, or unincorporated association becoming indebted to the United States in a principal amount outstanding at any time in excess of \$25,000, or which will result in any other corporation or agency becoming indebted in a principal amount outstanding at any time in excess of \$250,000, or which after January 1, 1954, shall provide for construction work, other than technical assistance, being done by the Secretary.

Sec. 9.

The Secretary of Agriculture is authorized, upon such terms and conditions as he shall prescribe, to make loans for the purposes of financing the improvement of farm land by soil or water conserving or drainage facilities, structures or practices, improvement of soil fertility, establishment of improved permanent pasture, sustained yield afforestation or reforestation, or other erosion preventatives, and such other related measures as may be determined from time to time by the Secretary.

Sec. 10.

- (a) In order to establish a program of insuring loans made by lenders other than the United States which comply with the requirements of this Act and are in furtherance of its objectives, the Secretary of Agriculture--
- (1) is authorized to insure and make commitments to insure such loans on such terms and conditions as he may prescribe;
 - (2) is authorized to include in insurance contracts agreements to service loans insured thereunder and to purchase such loans which are not in default on such terms and conditions as he may prescribe;
 - (3) shall utilize the insurance fund (hereinafter called the Fund) created by section 11 of the Bankhead-Jones Farm Tenant Act, as amended, and the provisions of sections 13 (b) and (c) of the said Bankhead-Jones Farm Tenant Act to discharge obligations under insurance contracts made pursuant to this Act;
 - (4) shall require the borrower to pay such insurance charges as he deems proper, taking into account the amount of the loan and prior liens: Provided, however, That the charge shall be payable in advance at intervals of one year or less and shall be at a rate equal to at least 1 per centum per annum of the principal outstanding on the loan insured on the due date of the charge;
 - (5) may utilize the Fund to pay taxes, insurance, prior liens, and other expenses to protect the security for loans which have been insured hereunder, and to acquire such security property at foreclosure sale or otherwise;

PUBLIC LAW 399, AS AMENDED - 75th CONGRESS, 1st SESSION - (Cont'd)

- (6) shall liquidate acquired security property in such manner and on such terms as he deems will best preserve the Fund; and
- (7) shall have authority to make such rules and regulations and such delegations of authority as he deems appropriate in order to carry out the provisions of this Act.
- (b) Notes and the security therefor acquired by the Secretary under insurance contracts shall become a part of the Fund. The notes may be held in the Fund and collected according to their terms or may be sold and reinsured. All proceeds from such collections, including the liquidation of security, and sales shall become a part of the Fund.
- (c) One-half of all insurance charges shall become a part of the Fund and one-half shall be deposited in the Treasury of the United States and shall be available for administrative expenses in connection with the insurance program authorized by this Act.
- (d) Any contract of insurance executed by the Secretary under this Act shall be an obligation of the United States and incontestable except for fraud or misrepresentation of which the holder of the contract has actual knowledge. The provisions of sections 11 and 13 (b) and (c) of the Bankhead-Jones Farm Tenant Act, as amended, shall be applicable and available for the purpose of providing funds for the discharge of obligations arising under the insurance program authorized by this Act.
- (e) The aggregate amount of the principal obligations on loans insured under this Act, shall not exceed \$25,000,000 in any one fiscal year.
- (f) The first paragraph of section 24, chapter 6, of the Federal Reserve Act, as amended (12 U. S. C., 1952 edition, 371) is hereby amended by inserting after the phrase 'Bankhead-Jones Farm Tenant Act' the following: ', or the Act of August 28, 1937, as amended'."

Sec. 11.

- (a) The Secretary of Agriculture is authorized:
 - (1) To make loans complying with the requirements of this Act for the purpose of insuring and selling such loans to lenders other than the United States. Any security instrument taken in connection with such loan shall create a lien running to the United States, notwithstanding the fact that the note may be held by such lender or his assignee;
 - (2) To insure and make commitments to insure such loans, which, when endorsed for insurance, shall be covered by the insurance provisions of this Act;

PUBLIC LAW 399, AS AMENDED - 75th CONGRESS, 1st SESSION - (Cont'd)

- (d) Loans made from funds advanced by lenders other than the United States may be insured by the Secretary upon terms and conditions consistent with the provisions of this section, but no such loan, except loans to associations (including corporations not operated for profit and public or quasi-public agencies), shall be in excess of 90 per centum of the value of the security less any prior lien indebtedness. Loans made or insured under this section shall be subject to all the provisions of this Act except as otherwise provided in this section.
- (e) Any loan heretofore or hereafter made or insured under this Act may be converted to an insured loan under this section at the discretion of the Secretary, and any expenses in connection with such conversion may be paid out of funds available for administrative expenses.
- (f) The Secretary is further authorized to sell any loan heretofore or hereafter made or insured under this Act without insurance thereof upon the written consent of the borrower, or without such consent when the borrower has failed to comply with his agreement to refinance the indebtedness at the request of the Secretary. Such loan shall be sold at the full amount of the unpaid balance thereof, and upon such sale the Secretary is authorized to assign the security instrument and evidence of debt in such manner that the United States shall have no further right or obligation with respect to the loan.

Note: Sec. 2 of Public Law 597 approved August 17, 1954 includes provisions applicable to other laws not shown above. It provides that Section 7 of the Act entitled "An Act authorizing construction of water conservation and utilization projects in the Great Plains and arid and semiarid areas of the United States", approved August 11, 1939, as amended (53 Stat. 1418; 54 Stat. 1119, 1124; 63 Stat. 171), is repealed.

PUBLIC LAW 38 (AS AMENDED) 81st CONGRESS, 1st SESSION

ACT PROVIDING FOR PRODUCTION DISASTER LOANS, ETC.

Sec. 1.

- (a) There are hereby transferred to the Secretary of Agriculture (hereinafter referred to as the Secretary) all of the functions of the Regional Agricultural Credit Corporation of Washington, District of Columbia, including but not limited to functions with respect to--
- (1) loans to bona fide fur farmers as provided for in the last proviso in the paragraph headed "Regional Agricultural Credit Corporation of Washington, District of Columbia", in title II of the Government Corporations Appropriation Act, 1949 (62 Stat. 1192), which expired June 30, 1953, is hereby extended for the 5-year period ending on June 30, 1958, for the purpose only of making necessary supplementary advances to fur farmers now indebted for loans made under the foregoing authority.
 - (2) loans to make available to the owners or operators of established farms in any area or region, upon their full personal liability and such reasonable security as may be determined by the Secretary, credit of a type which, beginning in 1941, was made available in such area or region by the Corporation, if the Secretary finds that there is a continued need for such credit and such credit is not readily available from other sources; except that no such loan shall be made
(A) after three years after August 5, 1950,
(B) to any one borrower at any one time in excess of \$10,000, (C) which would increase the total indebtedness of any one borrower under this paragraph to an amount exceeding \$20,000 (including principal and accrued interest), and (D) which would increase the aggregate principal amount of the loans outstanding under this paragraph at any one time to an amount exceeding \$2,000,000.
 - (3) the liquidation of all other loans heretofore made by the Regional Agricultural Credit Corporation of Washington, District of Columbia, and of all assets, contracts, property, claims, rights, and liabilities relating thereto.
- (b) There are hereby transferred to the Secretary the functions of the Farm Credit Administration and the Governor thereof

PUBLIC LAW 38, AS AMENDED - (Cont'd)

- with respect to the Regional Agricultural Credit Corporation of Washington, District of Columbia.
- (c) The Regional Agricultural Credit Corporation of Washington, District of Columbia, is hereby dissolved. The Secretary of the Treasury shall cancel the outstanding certificates of stock of the Corporation.
 - (d) All assets, funds, contracts, property, claims, and rights, all records, and all liabilities of the Corporation are hereby transferred to the Secretary. The revolving fund created by section 84 of the Farm Credit Act of 1933, as amended (12 U.S.C. 1148a), shall be available to the Secretary for the performance of the functions specified in paragraphs (a) (1), (2), and (3) of the section, including administrative expenses in connection therewith: Provided, That for the fiscal year 1949 the limitations on the administrative expenses of the Corporation with respect to the said functions shall be applicable to the Secretary.
 - (e) All personnel of the Corporation (excluding personnel of the Farm Credit Administration serving as directors or officers of the Corporation), and such of the personnel of the Farm Credit Administration as are engaged principally in the work of the Corporation, shall be transferred to the offices or agencies designated by the Secretary to carry out the functions herein transferred, to the extent that he determines that such personnel are qualified and necessary therefor.
 - (f) The Secretary may carry out the functions herein transferred and the authority conferred upon him by this Act through such officers or agencies in or under the Department of Agriculture as he may designate.

Sec. 2.

- (a) The Secretary is hereby authorized to make loans to farmers and stockmen for any agricultural purpose in any area or region where he finds that a production disaster has caused a need for agricultural credit not readily available from commercial banks, cooperative lending agencies, or other responsible sources. Such loans shall be made at such rate of interest, not to exceed 3 per centum per annum, and on such general terms and conditions as the Secretary shall prescribe for such area or region.

PUBLIC LAW 38, AS AMENDED - (Cont'd)

ECONOMIC DISASTER LOANS

- (b) The Secretary is authorized in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress (42 U.S.C. 1855), as amended, to make loans to established farmers and stockmen for any agricultural purpose in the area covered by the determination of the President, if the Secretary finds that an economic disaster has also caused a need for agricultural credit that cannot be met for a temporary period from commercial banks, cooperative lending agencies, the Farmers Home Administration under its regular loan programs, or other responsible sources. Such loans shall be made at such rate of interest, not to exceed 3 per centum per annum, and on such general terms as the Secretary shall prescribe for such area.

SPECIAL LIVESTOCK LOANS

- (c) For a period of four years from the effective date of this sub-section loans for \$2,500 or more may be made to established producers and feeders of cattle, sheep, and goats (not including operators of commercial feed lots) who have a good record of operations, but are unable temporarily to get the credit they need from recognized lenders and have a reasonable chance of working out of their difficulties with supplementary financing. After the expiration of the period specified herein, such loans may be made only for supplementary advances to producers indebted for loans made under this subsection, but no such loan shall be made in any event after July 14, 1961. The loans may be made on such security as the borrower has available and for the time reasonably required by the needs of the borrower but not exceeding, in the first instance, a period of three years. The creditors of the applicant will not be asked to subordinate their indebtedness but must be willing to work with the borrower to the extent of executing standby agreements for such

(Note - Public Law 175 appropriating an additional amount to the Revolving Fund provided that when the Fund is used for loans under Section 2 (c), the minimum loan limitation of \$2,500 shall not apply.)

PUBLIC LAW 38, AS AMENDED - (Cont'd)

periods of time as is reasonably necessary to give the borrower a chance to substantially improve his situation. The loans shall bear interest at the rate of 5 per centum per annum and shall be made on such other terms and conditions as the Secretary shall prescribe. The loans shall be subject to approval by a special committee appointed by the Secretary to serve for the particular area as determined by the Secretary. Loans exceeding \$50,000 shall also be approved by the Secretary. The committee shall consist of at least three members appointed by the Secretary from local persons having recognized knowledge of the livestock industry. The committee shall perform such additional functions under this Act, including general direction of the servicing of the loans, as the Secretary may prescribe. The members shall serve at such compensation as the Secretary shall determine not exceeding \$25 for each day spent on the work of the committee and shall be entitled to receive transportation costs and per diem in accordance with standard Government travel regulations.

EMERGENCY ASSISTANCE IN FURNISHING FEED AND SEED

- (d) The Secretary is authorized in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, eighty-first Congress (42 U.S.C. 1855), as amended, to furnish to established farmers, ranchers, or stockmen feed for livestock or seeds for planting for such period or periods of time and under such terms and conditions as the Secretary may determine to be required by the nature and effect of the disaster. The Secretary may utilize the personnel, facilities, property, and funds of any agency of the United States Department of Agriculture, including Commodity Credit Corporation, for carrying out these functions and shall reimburse the agencies so utilized for the value of any commodities furnished which are not paid for by the farmers or ranchmen, and for costs and administrative expenses necessary in performing such functions.

PUBLIC LAW 38, AS AMENDED (Cont'd)

- (e) The Secretary may utilize the revolving fund created by section 84 of the Farm Credit Act of 1933, as amended (12 U.S.C. 1148a), for making such loans, reimbursement and for administrative expenses in connection with such loans.
- (f) The funds transferred to the Secretary under section 1 of this Act, and all sums received by the Secretary from the liquidation of the assets, contracts, property, claims, and rights transferred to him under section 1 of this Act, from the liquidation of loans made under section 2 of this Act, and from the liquidation of any other assets acquired with funds from the said revolving fund shall be added to and become a part of the said revolving fund; and the revolving fund as so constituted shall remain available to the Secretary only for the purposes specified in sections 1 (d) and 2 of this Act. There is hereby authorized to be appropriated to the revolving fund such additional sums as the Congress shall from time to time determine.

Sec. 3.

- (a) No suit or other judicial proceeding instituted by or against the Regional Agricultural Credit Corporation of Washington, District of Columbia, shall abate by reason of this Act, but the Secretary may be substituted as a party in place of the Corporation upon motion or petition filed within six months after the effective date of this Act.
- (b) This Act shall become effective ten days after its enactment.

Loans under Sec. 2 (b) and 2 (c) of this Act shall be secured by the personal obligation and available security of the producer or producers, and in the case of loans to corporations or other business organizations, by the personal obligations and available security of each person holding as much as 10 per centum of the stock or other interest in the corporation or organization.

(July 14, 1953, Sec. 2. 67 Stat. 150)

PUBLIC LAW 171 - 81st CONGRESS, 1st SESSION

HOUSING ACT OF 1949

TITLE V, as amended, --FARM HOUSING

FINANCIAL ASSISTANCE BY THE SECRETARY OF AGRICULTURE

Sec. 501.

- (a) The Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized, subject to the terms and conditions of this title, to extend financial assistance, through the Farmers Home Administration, to owners of farms in the United States and in the Territories of Alaska and Hawaii and in Puerto Rico and the Virgin Islands, to enable them to construct, improve, alter, repair, or replace dwellings and other farm buildings on their farms, to provide them, their tenants, lessees, sharecroppers, and laborers with decent, safe, and sanitary living conditions and adequate farm buildings as specified in this title.
- (b) For the purpose of this title, the term "farm" shall mean a parcel or parcels of land operated as a single unit which is used for the production of one or more agricultural commodities and which customarily produces or is capable of producing such commodities for sale and for home use of a gross annual value of not less than the equivalent of a gross annual value of \$400 in 1944, as determined by the Secretary. The Secretary shall promptly determine whether any parcel or parcels of land constitute a farm for the purposes of this title whenever requested to do so by any interested Federal, State, or local public agency, and his determination shall be conclusive.
- (c) In order to be eligible for the assistance authorized by paragraph (a), the applicant must show (1) that he is the owner of a farm which is without a decent, safe, and sanitary dwelling for himself and his family and necessary resident farm labor, or for the family of the operating tenant, lessee, or sharecropper, or without other farm buildings adequate for the type of farming in which he engages or desires to engage; (2) that he is without sufficient resources to provide the necessary housing and buildings on his own account, and (3) that he is unable to secure the credit necessary for such housing

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and buildings from other sources upon terms and conditions which he could reasonably be expected to fulfill.

LOANS FOR HOUSING AND BUILDINGS ON ADEQUATE FARMS

Sec. 502.

- (a) If the Secretary determines that an applicant is eligible for assistance as provided in section 501 and that the applicant has the ability to repay in full the sum to be loaned, with interest, giving due consideration to the income and earning capacity of the applicant and his family from the farm and other sources, and the maintenance of a reasonable standard of living for the owner and the occupants of said farm, a loan may be made by the Secretary to said applicant for a period of not to exceed thirty-three years from the making of the loan with interest at a rate not to exceed 4 per centum per annum on the unpaid balance of principal.
- (b) The instruments under which the loan is made and the security given shall--
 - (1) provide for security upon the applicants equity in the farm and such additional security or collateral, if any, as may be found necessary by the Secretary reasonably to assure repayment of the indebtedness;
 - (2) provide for the repayment of principal and interest in accordance with schedules and repayment plans prescribed by the Secretary;
 - (3) contain the agreement of the borrower that he will, at the request of the Secretary, proceed with diligence to refinance the balance of the indebtedness through cooperative or other responsible private credit sources whenever the Secretary determines, in the light of the borrower's circumstances, including his earning capacity and the income from the farm, that he is able to do so upon reasonable terms and conditions;
 - (4) be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the loan with interest, protect the security, and assure that the farm will be maintained in repair and that waste and destruction of the farm will be prevented.

LOANS FOR HOUSING AND BUILDINGS ON POTENTIALLY ADEQUATE FARMS

Sec. 503. If the Secretary determines

- (a) that, because of the inadequacy of the income of an eligible applicant from the farm to be improved and from

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- ... other sources, said applicant may not reasonably be expected to make annual repayments of principal and interest in an amount sufficient to repay the loan in full within the period of time prescribed by the Secretary as authorized in this title;
- (b) that the income of the applicant may be sufficiently increased within a period of not to exceed five years by improvement or enlargement of the farm or an adjustment of the farm practices or methods; and
- (c) that the applicant has adopted and may reasonably be expected to put into effect a plan of farm improvement, enlargement, or adjusted practices or production which, in the opinion of the Secretary, will increase the applicant's income from said farm within a period of not to exceed five years to the extent that the applicant may be expected thereafter to make annual repayments of principal and interest sufficient to repay the balance of the indebtedness less payments in cash and credits for the contributions to be made by the Secretary as hereinafter provided, the Secretary may make a loan in an amount necessary to provide adequate farm dwellings and buildings on said farm under the terms and conditions prescribed in section 502. In addition, the Secretary may agree with the borrower to make annual contributions during the said five-year period in the form of credits on the borrower's indebtedness in an amount not to exceed the annual installment of interest and 50 per centum of the principal payments accruing during any installment year up to and including the fifth installment year, subject to the conditions that the borrower's income is, in fact, insufficient to enable the borrower to make payments in accordance with the plan or schedule prescribed by the Secretary and that the borrower pursues his plan of farm reorganization and improvements or enlargement with due diligence.

This agreement with respect to credits on principal and interest upon the borrower's indebtedness shall not be assignable nor accrue to the benefit of any third party without the written consent of the Secretary and the Secretary shall have the right, at his option, to cancel the agreement upon the sale of the farm or the execution or creation of any lien thereon subsequent to the lien given to the Secretary, or to refuse to release the lien given to the Secretary

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except upon payment in cash of the entire original principal plus accrued interest thereon less actual cash payments of principal and interest when the Secretary determines that the release of the lien would permit the benefits of this section to accrue to a person not eligible to receive such benefits.

OTHER SPECIAL LOANS AND GRANTS FOR MINOR IMPROVEMENTS
TO FARM HOUSING AND BUILDINGS

Sec. 504.

- (a) In the event the Secretary determines that an eligible applicant cannot qualify for a loan under the provisions of sections 502 and 503 and that repairs or improvements should be made to a farm dwelling occupied by him, in order to make such dwelling safe and sanitary and remove hazards to the health of the occupant, his family, or the community, and that repairs should be made to farm buildings in order to remove hazards and make such buildings safe, the Secretary may make a grant or a combined loan and grant, to the applicant to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports, or making other similar repairs or improvements. No assistance shall be extended to any one individual under this subsection (1) in the form of a loan, or combined loan and grant, in excess of \$1,000, or (2) in the form of a grant (whether or not combined with a loan) in excess of \$500. Any portion of the sums advanced to the borrower treated as a loan shall be secured and be repayable in accordance with the principles and conditions set forth in this title. Sums made available by grant may be made subject to the conditions set out in this title for the protection of the Government with respect to contributions made on loans by the Secretary.
- (b) In order to encourage adequate family-size farms the Secretary may make loans under this section and section 503 to any applicant whose farm needs enlargement or development in order to provide income sufficient to support decent, safe, and sanitary housing and other farm buildings, and may use the funds made available under clause (b) of section 513 for such purposes.

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MORATORIUM ON PAYMENTS UNDER LOANS

Sec. 505. During any time that any such loan is outstanding, the Secretary is authorized under regulations to be prescribed by him to grant a moratorium upon the payment of interest and principal on such loan for so long a period as he deems necessary, upon a showing by the borrower that due to circumstances beyond his control, he is unable to continue making payments of such principal and interest when due without unduly impairing his standard of living. In cases of extreme hardship under the foregoing circumstances, the Secretary is further authorized to cancel interest due and payable on such loans during the moratorium. Should any foreclosure of such a mortgage securing such a loan upon which a moratorium has been granted occur, no deficiency judgment shall be taken against the mortgagor if he shall have faithfully tried to meet his obligation.

TECHNICAL SERVICES AND RESEARCH

Sec. 506.

(a) In connection with financial assistance authorized in sections 501 to 504, inclusive, the Secretary shall require that all new buildings and repairs financed under this title shall be substantially constructed and in accordance with such building plans and specifications as may be required by the Secretary. Buildings and repairs constructed with funds advanced pursuant to this title shall be supervised and inspected, as may be required by the Secretary, by competent employees of the Secretary. In addition to the financial assistance authorized in sections 501 to 504, inclusive, the Secretary is authorized to furnish, through such agencies as he may determine, to any person, including a person eligible for financial assistance under this title, without charge or at such charges as the Secretary may determine, technical services such as building plans, specifications, construction supervision and inspection, and advice and information regarding farm dwellings and other buildings. The Secretary is further authorized to conduct research and technical studies including the

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development, demonstration, and promotion of construction of adequate farm dwellings and other buildings for the purposes of stimulating construction, improving the architectural design and utility of such dwellings and buildings, utilizing new and native materials, economies in materials and construction methods, new methods of production, distribution, assembly, and construction, with a view to reducing the cost of farm dwellings and buildings and adapting and developing fixtures and appurtenances for more efficient and economical farm use.

- (b) The Secretary of Agriculture shall prepare and submit to the President and to the Congress estimates of national farm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation necessary or desirable for the furtherance of the national housing objective and policy established by this Act with respect to farm housing, together with such other reports or information as may be required of the Secretary by the President or the Congress.

PREFERENCES FOR VETERANS AND FAMILIES OF DECEASED SERVICEMEN

Sec. 507. As between eligible applicants seeking assistance under this title, the Secretary shall give preference to veterans and the families of deceased servicemen. As used herein, a "veteran" shall mean a person who served in the military forces of the United States during any war between the United States and any other nation or during the period beginning June 27, 1950, and ending on such date as shall be determined by Presidential proclamation or concurrent resolution of Congress and who was discharged or released therefrom on conditions other than dishonorable. "Deceased Servicemen" shall mean persons who served in the military forces of the United States during any war between the United States and any other nation or during the period beginning June 27, 1950, and ending on such date as shall be determined by Presidential proclamation or concurrent resolution of Congress and who died in service before the termination of such war or such period.

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LOCAL COMMITTEES TO ASSIST SECRETARY

Sec. 508.

- (a) For the purposes of this subsection and subsection (b) of this section, the Secretary may use the services of any existing committee of farmers operating (pursuant to laws or regulations carried out by the Department of Agriculture) in any county or parish in which activities are carried on under this title. In any county or parish in which activities are carried on under this title and in which no existing satisfactory committee is available, the Secretary is authorized to appoint a committee composed of three persons residing in the county or parish. Each member of such existing or newly appointed committee shall be allowed compensation at the rate of \$5 per day while engaged in the performance of duties under this title and, in addition, shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses. One member of the committee shall be designated by the Secretary as chairman. The Secretary shall prescribe rules governing the procedures of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistance as he deems may be required by any committee.
- (b) The committees utilized or appointed pursuant to this section shall examine applications of persons desiring to obtain the benefits of this title and shall submit recommendations to the Secretary with respect to each applicant as to whether the applicant is eligible to receive the benefits of this title, whether by reason of his character, ability, and experience, he is likely successfully to carry out undertakings required of him under a loan or grant under this title, and whether the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of the loan or grant requested will carry out the purposes of this title. The committees shall also certify to the Secretary their opinions of the reasonable values of the farms. The committees shall, in addition, perform such other duties under this title as the Secretary may require.

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GENERAL POWERS OF SECRETARY

Sec. 509.

- (a) The Secretary, for the purposes of this title, shall have the power to determine and prescribe the standards of adequate farm housing and other buildings, by farms or localities, taking into consideration, among other factors, the type of housing which will provide decent, safe, and sanitary dwelling for the needs of the family using the housing, the type and character of the farming operations to be conducted, and the size and earning capacity of the land.
- (b) The secretary may require any recipient of a loan or grant to agree that the availability of improvements constructed or repaired with the proceeds of the loan or grant under this title shall not be a justification for directly or indirectly changing the terms or conditions of the lease or occupancy agreement with the occupants of such farms to the latter's disadvantage without the approval of the Secretary.

ADMINISTRATIVE PROVISIONS

Sec. 510. In carrying out the provisions of this title, the Secretary shall have the power to--

- (a) make contracts for services and supplies without regard to the provisions of section 3709 of the Revised Statutes, as amended, when the aggregate amount involved is less than \$300;
- (b) enter into subordination, subrogation, or other agreements satisfactory to the Secretary;
- (c) compromise claims and obligations arising out of sections 502 to 505, inclusive, of this title and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into as circumstances may require, including the release from personal liability, without payments of further consideration, of---
 - (1) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume the outstanding indebtedness to the Secretary under this title; and
 - (2) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume that portion of the outstanding indebtedness to the Secretary under this title which is equal to

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the earning capacity value of the farm at the time of the transfer, and borrowers whose farms have been acquired by the Secretary, in cases where the Secretary determines that the original borrowers have cooperated in good faith with the Secretary, have farmed in a workmanlike manner, used due diligence to maintain the security against loss, and otherwise fulfilled the covenants incident to their loans, to the best of their abilities;

- (d) collect all claims and obligations arising out of or under any mortgage, lease, contract, or agreement entered into pursuant to this title and, if in his judgment necessary and advisable, to pursue the same to final collection in any court having jurisdiction: Provided, That the prosecution and defense of all litigation under this title shall be conducted under the supervision of the Attorney General and the legal representation shall be by the United States attorneys for the districts, respectively, in which such litigation may arise and by such other attorney or attorneys as may, under law, be designated by the Attorney General;
- (e) bid for and purchase at any foreclosure or other sale or otherwise to acquire the property pledged or mortgaged to secure a loan or other indebtedness owing under this title, to accept title to any property so purchased or acquired, to operate or lease such property for such period as may be necessary or advisable, to protect the interest of the United States therein and to sell or otherwise dispose of the property so purchased or acquired by such terms and for such considerations as the Secretary shall determine to be reasonable and to make loans as provided herein to provide adequate farm dwellings and buildings for the purchasers of such property;
- (f) utilize with respect to the indebtedness arising from loans and payments made under this title, all the powers and authorities given to him under the act approved December 20, 1944, entitled "An Act to authorize the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes" (56 Stat. 836), as such Act now provides or may hereafter be amended;

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- (g) make such rules and regulations as he deems necessary to carry out the purposes of this title.

LOAN FUNDS

Sec. 511.

The Secretary may issue notes and other obligations for purchase by the Secretary of the Treasury for the purpose of making loans under this title (other than loans under section 504 (b)). The total principal amount of such notes and obligations issued pursuant to this section during the period beginning July 1, 1956, and ending June 30, 1961, shall not exceed \$450,000,000. The notes and obligations issued by the Secretary shall be secured by the obligations of borrowers and the Secretary's commitments to make contributions under this title and shall be repaid from the payment of principal and interest on the obligations of the borrowers and from funds appropriated hereunder. The notes and other obligations issued by the Secretary shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceeding the issuance of the notes or obligations by the Secretary. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Secretary issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or obligations shall be treated as public debt transactions of the United States.

CONTRIBUTIONS

Sec. 512.

In connection with loans made pursuant to section 503, the Secretary is authorized to make commitments for contributions

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aggregating not to exceed \$10,000,000 during the period beginning July 1, 1956, and ending June 30, 1961.

Sec. 513.

There is hereby authorized to be appropriated to the Secretary

- (a) such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 511 equal to (i) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section 503, and (ii) the interest due on a similar sum represented by notes or other obligations issued by the Secretary;
- (b) not to exceed \$50,000,000 for grants pursuant to section 504 (a) and loans pursuant to section 504 (b) during the period beginning July 1, 1956 and ending June 30, 1961; and
- (c) such further sums as may be necessary to enable the Secretary to carry out the provisions of this title.

PUBLIC LAW 518 - 78th CONGRESS, 2nd SESSION

AN ACT TO COMPROMISE, ADJUST, OR CANCEL CERTAIN INDEBTEDNESS

Sec. 1.

That the Secretary of Agriculture, hereinafter referred to as the Secretary, is hereby authorized and directed to compromise, adjust, or cancel indebtedness arising from loans and payments made or credit extended to farmers under the provisions of the several Acts of Congress or programs enumerated in section 2: Provided, That the Secretary finds, after such investigation as he deems sufficient to establish the facts, that (1) said indebtedness has been due and payable for five years or more; (2) the debtor is unable to pay said indebtedness in full and has no reasonable prospect of being able to do so; (3) the debtor has acted in good faith in an effort to meet his obligation; and (4) the principal amount of said indebtedness is not in excess of \$1,000. The Secretary is hereby further authorized at his discretion to cancel and discharge indebtedness arising under said Acts of Congress or programs when the amount of said indebtedness is less than \$10, or the debtor is deceased and there is no reasonable prospect of recovering from his estate, or his whereabouts has remained unknown for two years and there is no reasonable prospect of obtaining collection, or he has been discharged of the indebtedness in any proceeding under the Act entitled "An Act to establish a uniform system of bankruptcy throughout the United States". The compromises, adjustments, or cancellations authorized by this section shall be effected through such agencies, upon such terms and conditions, and subject to such regulations, as the Secretary may prescribe, and the Secretary may delegate the exercise of any such powers and functions to such officers or employees of the Department of Agriculture as he may designate.

Sec. 2.

The provisions of this Act shall apply to any indebtedness of farmers arising from loans or payments made or credit extended to them under

- (a) any of the following Acts or programs: (a) July 1, 1918 (40 Stat. 635); March 3, 1921 (41 Stat. 1347); March 20, 1922 (42 Stat. 467); April 26, 1924 (43 Stat. 110); February 25, 1927 (44 Stat. 1245); February 28, 1927 (44 Stat., Part II, 1251); February 25, 1929 (45 Stat. 1306), as amended May 17, 1929 (46 Stat. 3); March 3, 1930 (46 Stat. 78-79), as amended April 24, 1930 (46 Stat. 254); December 20, 1930 (46 Stat. 1032), as amended February 14, 1931 (46 Stat. 1160); February 23, 1931 (46 Stat. 1276); January 22, 1932 (47 Stat. 5); March 3, 1932 (47 Stat. 60); February 4, 1933 (47 Stat. 795); February 23, 1934 (48 Stat. 354); June 19, 1934 (48 Stat. 1056); February 20, 1935 (49 Stat. 28); March 21, 1935 (49 Stat. 50); April 8, 1935 (49 Stat. 115); (Executive Order Numbered 7305); January 29, 1937 (50 Stat. 5); and February 4, 1938 (52 Stat. 27);
- (b) Agricultural Adjustment Act (of 1933); Bankhead Cotton Act of April 21, 1934, on account of the several cotton tax-exemption certificate pools; Jones-Connally Cattle Act of April 7, 1934; Emergency Appropriation Act, fiscal year 1935, approved June 19, 1934; Kerr Tobacco Act of June 28,

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1934, and Public Resolution Numbered 76, approved March 14, 1936; section 32 of the Act of August 24, 1935, and related legislation; Supplemental Appropriation Act, fiscal year 1936; sections 7 to 17 of the Soil Conservation and Domestic Allotment Act; Sugar Act of 1937; sections 303 and 381 (a) of the Agricultural Adjustment Act of 1938 and related or subsequent legislation authorizing parity or price adjustment payments; title IV and title V of the Agricultural Adjustment Act of 1938 and related legislation; any amendment to any of the foregoing Acts heretofore and any other Act of Congress heretofore enacted authorizing payments to farmers under programs administered through the Agricultural Adjustment Agency;

- (c) Loans made by or through the Resettlement Administration of the Farm Security Administration out of funds appropriated or made available by or pursuant to the following Acts: April 8, 1935 (49 Stat. 115); June 22, 1936 (49 Stat. 1608); February 9, 1937 (50 Stat. 8); June 29, 1937 (50 Stat. 352); The Bankhead-Jones Farm Tenant Act, July 22, 1937 (50 Stat. 522 et seq.); the Water Facilities Act of August 28, 1937 (50 Stat. 869 et seq.); March 2, 1938 (52 Stat. 83, Public Resolution Numbered 80); June 21, 1938 (52 Stat. 809); June 30, 1939 (53 Stat. 927); June 26, 1940 (Public Resolution Numbered 88); flood-restoration loans, Second Deficiency Appropriation Act, 1943 (57 Stat. 537, 542); and subsequent legislation appropriating or making available funds for such loans; commodity loan, purchase, sale, and other programs of the Commodity Credit Corporation; and crop-insurance programs formulated pursuant to title V of the Agricultural Adjustment Act of 1938 (the Federal Crop Insurance Act), and any amendment or supplement thereto heretofore or hereafter enacted. This Act shall also apply to any indebtedness of farmers evidenced by notes or accounts receivable, title to which has been acquired in the liquidation of loans to cooperative associations made under the provisions of the Act of June 15, 1929 (46 Stat. 11).

Sec. 3.

There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amount as may be necessary to enable the Secretary to carry out the provisions of this Act, and the current and subsequent appropriations to enable the Secretary to administer the respective Acts of Congress or programs to which the aforesaid payments or loans or extensions of credit relate shall also be available for the administrative expenses of carrying out this Act.

Sec. 4.

- (a) Whoever makes any material representation, knowing it to be false, for the purpose of influencing in any way the action of the Secretary, or of any person acting under his authority, in connection with any compromise, adjustment, or cancelation of indebtedness provided for herein, shall upon conviction thereof, be punished by a fine of not more than \$1,000 or by imprisonment for not more than one year, or both.

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(b) No officer or employee of the United States, and no person to whom the Secretary may delegate any power or function under this Act, shall accept any fee, commission, gift, or other consideration, directly or indirectly, for or in connection with any transaction or business related to the compromise, adjustment, or cancelation of indebtedness hereunder. Any person violating the foregoing provision shall, upon conviction thereof, be punished by a fine of not more than \$1,000 or by imprisonment for not more than one year, or both.

1. The first of these is the fact that the American Medical Association is a voluntary association of physicians and surgeons. It is not a government agency, nor is it a corporation. It is a body of men who are interested in the welfare of the medical profession and the public. It is a body of men who are interested in the advancement of the medical science and the improvement of the medical service. It is a body of men who are interested in the education of the medical student and the training of the medical professional. It is a body of men who are interested in the regulation of the medical practice and the control of the medical profession. It is a body of men who are interested in the promotion of the medical research and the development of the medical art. It is a body of men who are interested in the protection of the medical patient and the preservation of the medical trust. It is a body of men who are interested in the maintenance of the medical standards and the enforcement of the medical laws. It is a body of men who are interested in the improvement of the medical conditions and the elevation of the medical status. It is a body of men who are interested in the advancement of the medical progress and the realization of the medical ideal. It is a body of men who are interested in the promotion of the medical science and the improvement of the medical service. It is a body of men who are interested in the education of the medical student and the training of the medical professional. It is a body of men who are interested in the regulation of the medical practice and the control of the medical profession. It is a body of men who are interested in the promotion of the medical research and the development of the medical art. It is a body of men who are interested in the protection of the medical patient and the preservation of the medical trust. It is a body of men who are interested in the maintenance of the medical standards and the enforcement of the medical laws. It is a body of men who are interested in the improvement of the medical conditions and the elevation of the medical status. It is a body of men who are interested in the advancement of the medical progress and the realization of the medical ideal.

PUBLIC LAW 499 - 81st CONGRESS, 2nd SESSION

RURAL REHABILITATION CORPORATION TRUST LIQUIDATION ACT

Sec. 1.

This Act may be cited as the "Rural Rehabilitation Corporation Trust Liquidation Act".

Sec. 2.

- (a) The Secretary of Agriculture (hereinafter referred to as the "Secretary") is hereby authorized and directed to take such action as may be appropriate and necessary to liquidate, as expeditiously as possible but within three years from May 3, 1950, trusts under the transfer agreements with the several State rural rehabilitation corporations, and is hereby authorized and directed to negotiate with responsible officials to that end.
- (b) The Secretary, insofar as is necessary to protect the interests of the United States and the corporations shall proceed forthwith to the conversion to cash of investments constituting the trust assets by sale of real and personal properties, and by collection of loans and accounts receivable according to the tenor of such obligations.
- (c) An application for the return of such properties may be made to the Secretary by the State rural rehabilitation corporation pursuant to appropriate resolution of its board of directors. The application shall contain a covenant, binding upon the applicant when accepted by the Secretary on behalf of the United States, that the applicant will abide by the determinations and apportionments of the Secretary provided for in this Act and the payments made by the Secretary pursuant to this Act, that the returned assets and the income therefrom will be used only for such of the rural rehabilitation purposes permissible under the corporation's charter as may from time to time be agreed upon by the applicant and the Secretary; and that not to exceed 3 per centum of the book value of the corporation's assets will be expended by the applicant for administrative purposes during any year, without the approval of the Secretary of Agriculture. If the rural rehabilitation corporation of any State has been dissolved and is not revived or reincorporated or, for any other reason, is unable to make such application or to accept and administer such properties, the application and subsequent agreements (conforming to the second sentence of this subsection) may be made by such other agency or official of that State as may be designated by the State legislature. The Secretary may transfer the trust funds or properties of such corporation to such successor agency or official if adequate provisions are made by the State legislature for holding the United States and the Secretary free from liability by virtue of the transfer to such successor agency or official.

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- (d) Except as hereinafter provided, upon receipt of appropriate application meeting the requirements of this Act, the Secretary shall do all things necessary to return to each such applicant all right, title, and interest of the United States in and to all cash, real and personal property, or the proceeds thereof, held on May 3, 1950, by the Secretary as trustee for the account of such State corporation, except that the Secretary may deduct from the funds of each such State corporation the expenses incident to completion of such transfer: Provided, That such transfer shall, insofar as possible, be accomplished in a manner consistent with the provisions of the trust agreement with each State rural rehabilitation corporation.
- (e) In the event no application is made, as provided for in this Act, within three years from May 3, 1950, or upon receipt of a disclaimer or release of interest under the trust transfer agreement by any State through its legislature, the Secretary shall cause all proceeds from assets held under or for the account of the transfer agreement with that State to be covered into miscellaneous receipts in the United States Treasury.
- (f) The Secretary is authorized to enter into agreements with any State rural rehabilitation corporation or other State agency or official having jurisdiction of the trust assets which have been returned pursuant to application made therefor under section 2(c) hereof, and upon such terms and conditions and for such periods of time as may be mutually agreeable, to accept, administer, expend and use in such State all or any part of such trust assets or any other funds of such State rural rehabilitation corporation or State agency, which are transferred to the Secretary for carrying out the purposes of titles I and II of the Bankhead-Jones Farm Tenant Act and in accordance with the applicable provisions of title IV thereof as now or hereafter amended. Funds appropriated for the administration of said Act shall also be available for carrying out such agreements.

Sec. 3.

The provisions of this Act shall apply also to all properties and assets of State rural rehabilitation corporations held by Federal agencies other than the Department of Agriculture under the provisions of Executive Order Numbered 9070, or otherwise. For the purposes of this Act the assets of other corporations, derived through the use of Federal Emergency Relief Administration funds, and made available to them through State rural rehabilitation corporations or otherwise acquired by them for rural rehabilitation purposes, shall be considered as a part of the trust property of the State rural rehabilitation corporations in their respective States.

Sec. 4.

For the purposes of this Act, the Secretary shall have the power to--

- (a) employ on a contract basis (without regard to the provisions of the civil-service laws or the Classification Act of 1923, as amended,

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but the contract shall in each case specify what civil service and related laws, if any, shall be applicable to the employment after it has been made) such appraisers, accountants, attorneys, and other personnel as he may deem necessary, in the District of Columbia and elsewhere, to aid in the liquidation and transfer of the properties and assets pursuant to this Act, and in the entering into of agreements with the corporations, or other agencies or officials designated pursuant to section 2 (c) hereof, regarding the rural rehabilitation purposes for which the property and assets shall thereafter be used by them, and in determining that such agreed purposes are being carried out. The fees, salaries, and expenses of such appraisers, accountants, attorneys, and other personnel shall be equitably apportioned by the Secretary among the respective corporations and the amount so determined to be applicable to each such corporation shall be paid by the Secretary from the trust fund of such corporation until the trust is liquidated, and thereafter by the corporation or other agency or official designated pursuant to section 2 (c) hereof. Attorneys so employed, and their fees and expenses, shall be subject to the approval and under the supervision of the Solicitor of the Department of Agriculture;

- (b) accept and utilize voluntary and uncompensated services, and with the consent of the agency concerned, utilize the officers, employees, equipment, and information of any agency of the Federal Government, or of any State, Territory, or political subdivision;
- (c) make such rules and regulations and such delegations of authority as he deems necessary to carry out the purposes of this Act.

Sec. 5.

None of the properties or assets held on May 3, 1950, by the Secretary as trustee pursuant to trust agreements with the various State rural rehabilitation corporations may be used by the Secretary for any purpose after May 3, 1950, except for the purposes authorized under section 2 (d) of this Act, and for loans made prior to July 1, 1949, and to be repaid in full no later than May 1, 1952, but otherwise consistent with the provisions of title II of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C.A. 1007), where necessary to supplement credit already extended to borrowers from corporation trust funds.

Sec. 6.

- (a) The determination of the Secretary with respect to the assets to be returned to each State rural rehabilitation corporation or other agency or official designated pursuant to section 2(c)

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hereof including, but not limited to interests in properties held jointly for such corporation and the United States, the partition of real property, the expenses incident to each transfer, the liabilities applicable to such properties, and all other phases of the transfer shall be final and conclusive upon each State rural rehabilitation corporation or such successor agency or official designated pursuant to section 2 (c) hereof, and upon all officers and agencies of the United States.

- (b) The Secretary shall be saved harmless against any personal liability he may incur in carrying out the provisions of this Act.

WATERSHED PROTECTION AND FLOOD PREVENTION ACT

To authorize the Secretary of Agriculture to cooperate with States and local agencies in the planning and carrying out of works of improvement for soil conservation, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That erosion, floodwater, and sediment damages in the watersheds of the rivers and streams of the United States, causing loss of life and damage to property, constitute a menace to the national welfare; and that it is the sense of Congress that the Federal Government should cooperate with States and their political subdivisions, soil or water conservation districts, flood prevention or control districts, and other local public agencies for the purpose of preventing such damages and of furthering the conservation, development, utilization, and disposal of water and thereby of preserving and protecting the Nation's land and water resources.

SEC. 2

For the purposes of this Act, the following terms shall mean: The "Secretary" --the Secretary of Agriculture of the United States. "Works of improvement" --any undertaking for --

- (1) flood prevention (including structural and land treatment measures) or
- (2) the conservation, development, utilization, and disposal of water

in watershed or subwatershed areas not exceeding two hundred and fifty thousand acres and not including any single structure which provides more than five thousand acre-feet of floodwater detention capacity, and more than twenty-five thousand acre-feet of total capacity. No appropriation shall be made for any plan involving an estimated Federal contribution to construction costs in excess of \$250,000, or which includes any structure which provides more than twenty-five hundred acre-feet of total capacity unless such plan has been approved by resolutions adopted by the appropriate committees of the Senate and House of Representatives: Provided, That in the case of any plan involving no single structure providing more than 4,000 acre-feet of total capacity the appropriate committees shall be the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives and in the case of any plan involving any single structure of more than 4,000 acre-feet of total capacity the appropriate committees shall be the Committee on Public Works of the Senate and the Committee on Public Works of the House of Representatives, respectively. A number of such subwatersheds when they are component parts of a larger watershed may be planned together when the local sponsoring organizations so desire.

"Local organization" --any State, political subdivision thereof, soil or water conservation district, flood prevention or control district, or combinations thereof, or any other agency having authority under

State law to carry out, maintain and operate the works of improvement.

SEC. 3.

In order to assist local organizations in preparing and carrying out plans for works of improvement, the Secretary is authorized, upon application of local organizations if such application has been submitted to, and not disapproved within 45 days by, the State agency having supervisory responsibility over programs provided for in this Act, or by the Governor if there is no State agency having such responsibility--

- (1) to conduct such investigations and surveys as may be necessary to prepare plans for works of improvement;
- (2) to prepare plans and estimates required for adequate engineering evaluation;
- (3) to make allocations of costs to the various purposes to show the basis of such allocations and to determine whether benefits exceed costs;
- (4) to cooperate and enter into agreements with and to furnish financial and other assistance to local organizations: Provided, That, for the land treatment measures, the Federal assistance shall not exceed the rate of assistance for similar practices under existing national programs;
- (5) to obtain the cooperation and assistance of other Federal agencies in carrying out the purposes of this section.

SEC. 4.

The Secretary shall require as a condition to providing Federal Assistance for the installation of works of improvement that local organizations shall--

- (1) acquire, or with respect to interests in land to be acquired by condemnation provide assurances satisfactory to the Secretary that they will acquire, without cost to the Federal Government, such land, easements, or rights-of-way as will be needed in connection with works of improvement installed with Federal assistance;
- (2) assume (A) such proportionate share, as is determined by the Secretary to be equitable in consideration of the direct identifiable benefits, of the costs of installing any works of improvement, involving Federal assistance, which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water, or for fish and wildlife development, and (B) all of the cost of installing any portion of such works applicable to other purposes except that any part of the construction cost (including engineering costs) applicable to flood prevention and features relating thereto shall be borne by the Federal Government and paid for by the Secretary out of funds appropriated for the purposes of this Act.
- (3) make arrangements satisfactory to the Secretary for defraying costs of operating and maintaining such works of improvement, in

accordance with regulations presented by the Secretary of Agriculture;

- (4) acquire, or provide assurance that landowners or water users have acquired, such water rights, pursuant to State law, as may be needed in the installation and operation of the work of improvement;
- (5) obtain agreements to carry out recommended soil conservation measures and proper farm plans from owners of not less than 50 per centum of the lands situated in the drainage area above each retention reservoir to be installed with Federal assistance; and
- (6) submit a plan of repayment satisfactory to the Secretary for any loan or advancement made under the provisions of section 8.

SEC. 5.

At such time as the Secretary and the interested local organization have agreed on a plan for works of improvement, and the Secretary has determined that the benefits exceed the costs, and the local organization has met the requirements for participation in carrying out the works of improvement as set forth in section 4, the local organization with such assistance as it may request from the Secretary, which assistance the Secretary is hereby authorized to give, shall secure engineering and other services, including the design, preparation of contracts and specifications, awarding of contracts, and supervision of construction, in connection with such works of improvement, and in order to properly carry out such services in such projects as to such structures therein providing for municipal or industrial water supplies, the local organization shall, and in such projects not providing for municipal or industrial water supplies, the local organization may, retain or employ a professional engineer or engineers satisfactory to the Secretary, and the Secretary shall reimburse the local organization for the cost it may incur for the services of such engineer or engineers as is properly chargeable to such works of improvement, except that if the local organization decides not to retain or employ a professional engineer or if the Secretary determines that competent engineering services are not available he may contract for a competent engineer to provide such services or arrange for employees of the Federal Government to provide such services: Provided, That at the request of the local organization which retains or employs a professional engineer or engineers as aforesaid, the Secretary may advance such amounts as may be necessary to pay for such services, but such advances with respect to any works of improvement shall not exceed 5 per centum of the estimated total cost of such works: Provided further, That, except as to the installation of works of improvement on Federal lands, the Secretary shall not construct or enter into any contract for the construction of any structure unless there is no local organization authorized by State law to undertake such construction or to enter into such contract, and in no event after July 1, 1956: Provided, That in participating in the installation of such works of improvement the Secretary, as far as practicable and consistent with his responsibilities for administering the overall national agricultural program, shall utilize the authority conferred upon him by the provisions of this

Act: Provided further, That whenever the estimated Federal contribution to the construction cost of works of improvement in any watershed or sub-watershed area shall exceed \$250,000 or the works of improvement include any structure having a total capacity in excess of twenty-five hundred acre-feet, the Secretary shall transmit a copy of the plan and the justification therefor to the Congress through the President: Provided further, That any such plan involving an estimated Federal contribution to construction costs in excess of \$250,000 containing any structure having a total capacity in excess of twenty-five hundred acre-feet (a) which includes reclamation or irrigation works or which affects public or other lands or wildlife under the jurisdiction of the Secretary of the Interior, or (b) which includes Federal assistance for floodwater detention structures, shall be submitted to the Secretary of the Interior or the Secretary of the Army, respectively, for his views and recommendations at least thirty days prior to transmission of the plan to the Congress through the President. The views and recommendations of the Secretary of the Interior, and the Secretary of the Army, if received by the Secretary of Agriculture prior to the expiration of the above thirty-day period, shall accompany the plan transmitted by the Secretary of Agriculture to the Congress through the President: Provided further, That, prior to any Federal participation in the works improvement under this Act, the President shall issue such rules and regulations as he deems necessary or desirable to carry out the purposes of this Act, and to assure the coordination of the work authorized under this Act and related work of other agencies including the Department of the Interior and the Department of the Army.

SEC. 6.

The Secretary is authorized in cooperation with other Federal and with States and local agencies to make investigations and surveys of the watersheds of rivers and other waterways as a basis for the development of coordinated programs. In areas where the programs of the Secretary of Agriculture may affect public or other lands under the jurisdiction of the Secretary of the Interior, the Secretary of the Interior is authorized to cooperate with the Secretary of Agriculture in the planning and development of works or programs for such lands.

SEC. 7.

The provisions of the Act of June 22, 1936 (49 Stat. 1570), as amended and supplemented, conferring authority upon the Department of Agriculture under the direction of the Secretary of Agriculture to make preliminary examinations and surveys and to prosecute works of improvement for runoff and waterflow retardation and soil erosion prevention on the watersheds of rivers and other waterways are hereby repealed: Provided, That (a) the authority of that Department of Agriculture, under the direction of the Secretary, to prosecute the works of improvement for runoff and waterflow retardation and soil erosion prevention authorized to be carried out by the Department by the Act of December 22, 1944 (58 Stat. 887), as amended, and (b) the authority of the Secretary of Agriculture to undertake emergency measures for runoff retardation and soil erosion prevention authorized to be carried out by section 7 of the Act of June 28, 1938 (52 Stat. 1215), as amended by section 216 of the Act of May 17, 1950 (64 Stat. 163), shall not be

affected by the provisions of this section: Provided further, That in connection with the eleven watershed improvement programs authorized by section 13 of the Act of December 22, 1944 (58 Stat. 887), as amended and supplemented, the Secretary of Agriculture is authorized to prosecute additional works of improvement for the conservation, development, utilization, and disposal of water in accordance with the provisions of section 4 of this Act.

SEC. 8.

The Secretary is authorized to make loans or advancements (a) to local organizations to finance the local share of costs of carrying out works of improvement provided for in this Act, and (b) to State and local agencies to finance the local share of costs of carrying out works of improvement (as defined in section 2 of this Act) in connection with the eleven watershed improvement programs authorized by section 13 of the Act of December 22, 1944 (58 Stat. 887), as amended and supplemented: Provided, That the works of improvement in connection with said eleven watershed improvement programs shall be integral parts of watershed or subwatershed work plans agreed upon by the Secretary of Agriculture and the concerned State and local agencies. Such loans or advancements shall be made under contracts or agreements which will provide, under such terms and conditions as the Secretary deems appropriate, for the repayment thereof in not more than fifty years from the date when the principal benefits of the works of improvement first become available, with interest at the average rate, as determined by the Secretary of the Treasury, payable for the Treasury upon its marketable public obligations outstanding at the beginning of the fiscal year in which the loan or advancement is made, which are neither due nor callable for redemption for fifteen years from date of issue. With respect to any single plan for works of improvement, the amount of any such loan or advancement shall not exceed five million dollars.

SEC. 9.

The provisions of this Act shall be applicable to Hawaii, Alaska, Puerto Rico, and the Virgin Islands.

SEC. 10.

There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act, such sums to remain available until expended. No appropriation hereafter available for assisting local organizations in preparing and carrying out plans for works of improvement under the provisions of section 3 or clause (a) of section 8 of this Act shall be available for any works of improvement pursuant to this Act or otherwise in connection with the eleven watershed improvement programs authorized by section 13 of the Act of December 22, 1944 (58 Stat. 887), as amended and supplemented, or for making loans or advancements to State and local agencies as authorized by clause (b) of section 8.

SEC. 11.

This Act may be cited as the "Watershed Protection and Flood Prevention Act".

SEC. 12.

When the Secretary approves the furnishing of assistance to a local organization in preparing a plan for works of improvement as provided for in section 3:

- (1) The Secretary shall so notify the Secretary of the Interior in order that the latter, as he desires, may make surveys and investigations and prepare a report with recommendations concerning the conservation and development of wildlife resources and participate, under arrangements satisfactory to the Secretary of Agriculture, in the preparation of a plan for works of improvement that is acceptable to the local organization and the Secretary of Agriculture.
- (2) Full consideration shall be given to the recommendations contained in any such report of the Secretary of the Interior as he may submit to the Secretary of Agriculture prior to the time the local organization and the Secretary of Agriculture have agreed on a plan for works of improvement. The plan shall include such of the technically and economically feasible works of improvement for wildlife purposes recommended in the report by the Secretary of the Interior as are acceptable to, and agreed to by, the local organization and the Secretary of Agriculture, and such report of the Secretary of the Interior shall, if requested by the Secretary of the Interior, accompany the plan for works of improvement when it is submitted to the Secretary of Agriculture for approval or transmitted to the Congress through the President.
- (3) The cost of making surveys and investigations and of preparing reports concerning the conservation and development of wildlife resources shall be borne by the Secretary of the Interior out of funds appropriated to his Department.

Note: All amendments to P.L. 566 authorized by P. L. 1018 (84th Congress, 2nd Session, approved August 7, 1956) have been incorporated above. Section 2 of P.L. 1018 does not amend any particular section of P.L. 566 therefore was not included above. This section provides that the amendments made by this Act be applicable to all works of improvement with respect to which the Secretary of Agriculture was authorized, prior to the date of August 7, 1956, to participate in the installation of works of improvement in accordance with such plan. Section 2 of P.L. 85-865, approved September 2, 1958, provides that The Secretary of Agriculture shall not furnish or agree to furnish financial assistance to local organizations for the institution of works of improvement for fish and wildlife development pursuant to the authority of this Act prior to July 1, 1958.

PUERTO RICO HURRICANE RELIEF LOANS

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the authority functions, obligations, and documents relating to Puerto Rican hurricane relief loans to individual coffee planters, coconut planters, fruitgrowers, or other agriculturists (45 Stat. 1067, and 45 Stat. 1627, as modified by 49 Stat. 926 and 49 Stat. 928), heretofore transferred to the Division of Territories and Island Possessions, Department of the Interior, pursuant to the public resolution of June 3, 1935 (49 Stat. 320), and to the Secretary of the Interior pursuant to Reorganization Plan Numbered 3 of 1950 (64 Stat. 1262), are hereby transferred to the Secretary of Agriculture. The authority of the Secretary of Agriculture described in the Act of December 20, 1944, and in section 41 (g) of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C., sec. 1015 (g)), is hereby extended, as additional authority, to apply to the obligations and documents transferred by this section.

Sec. 2. The Secretary of Agriculture is hereby authorized to sell to the Commonwealth of Puerto Rico the obligations and documents transferred to him by section 1 hereof, for such consideration as may be consistent with the purposes of the resolution of Congress creating the Puerto Rico Hurricane Relief Commission.

Sec. 3. There are hereby transferred to the Public Housing Commissioner all right, title, and interest, including contractual rights and reversionary interests, held by the Federal Government in and with respect to the apartment development in San Juan, Puerto Rico, known as the Falansterio Apartments, heretofore administered by the Secretary of the Interior. All of the powers, duties, and responsibilities of the Secretary of the Interior under the private sales contract executed on July 1, 1948, by the United States, represented by the Assistant Administrator of the Puerto Rico Reconstruction Administration, and the Cooperative Association of the Falansterio, and transferred to the Secretary of the Interior pursuant to Reorganization Plan Numbered 3 of 1950 (64 Stat. 1262), are hereby transferred to the Public Housing Commissioner. If, under the terms of the private sales contract or otherwise the Public Housing Commissioner takes possession of the Falansterio Apartments, or any part thereof, he is authorized to improve and administer the property, to release, convey, or reconvey any part thereof, and to otherwise dispose of the remaining property. Notwithstanding any other provision of law, any funds collected by the Public Housing Commissioner under this section shall be available for expenses incurred by him hereunder.

Sec. 4. The Public Housing Commissioner is hereby authorized to sell to the Commonwealth of Puerto Rico, for such consideration mutually agreeable, the rights, title, and interest transferred to him by Section 3 hereof with respect to the Falansterio Apartments, and to transfer to the Commonwealth of Puerto Rico the powers, duties, and responsibilities under the private sales contract executed on July 1, 1948, mentioned in Section 3 hereof.



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PUERTO RICO HURRICANE RELIEF LOANS (Cont'd)

- Sec. 5. Any funds collected by the Secretary of Agriculture under sections 1 and 2 hereof, may be credited to appropriations current at the time such funds are received, to the extent necessary to reimburse such appropriation for expenditures required in the administration of this Act.
- Sec. 6. All deeds pertaining to property of the Puerto Rico Reconstruction Administration executed by the Secretary of the Interior or his designees subsequent to February 15, 1955, are hereby confirmed.
- Sec. 7. This Act shall take effect upon its approval.
Approved July 11, 1956.